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**A COOL DISCUSSION OF
"RED-HOT" QUESTIONS**

THE SOCIAL CRISIS

The Duty of Government



*When Duty whispers "Lo, thou must!"
The brave replies, "I can."*

EMERSON.



BY

D. QSTRANDER,

AUTHOR OF THE FIRE INSURANCE CONTRACT, THE LAW
OF FIRE INSURANCE, SOCIAL GROWTH, ETC.



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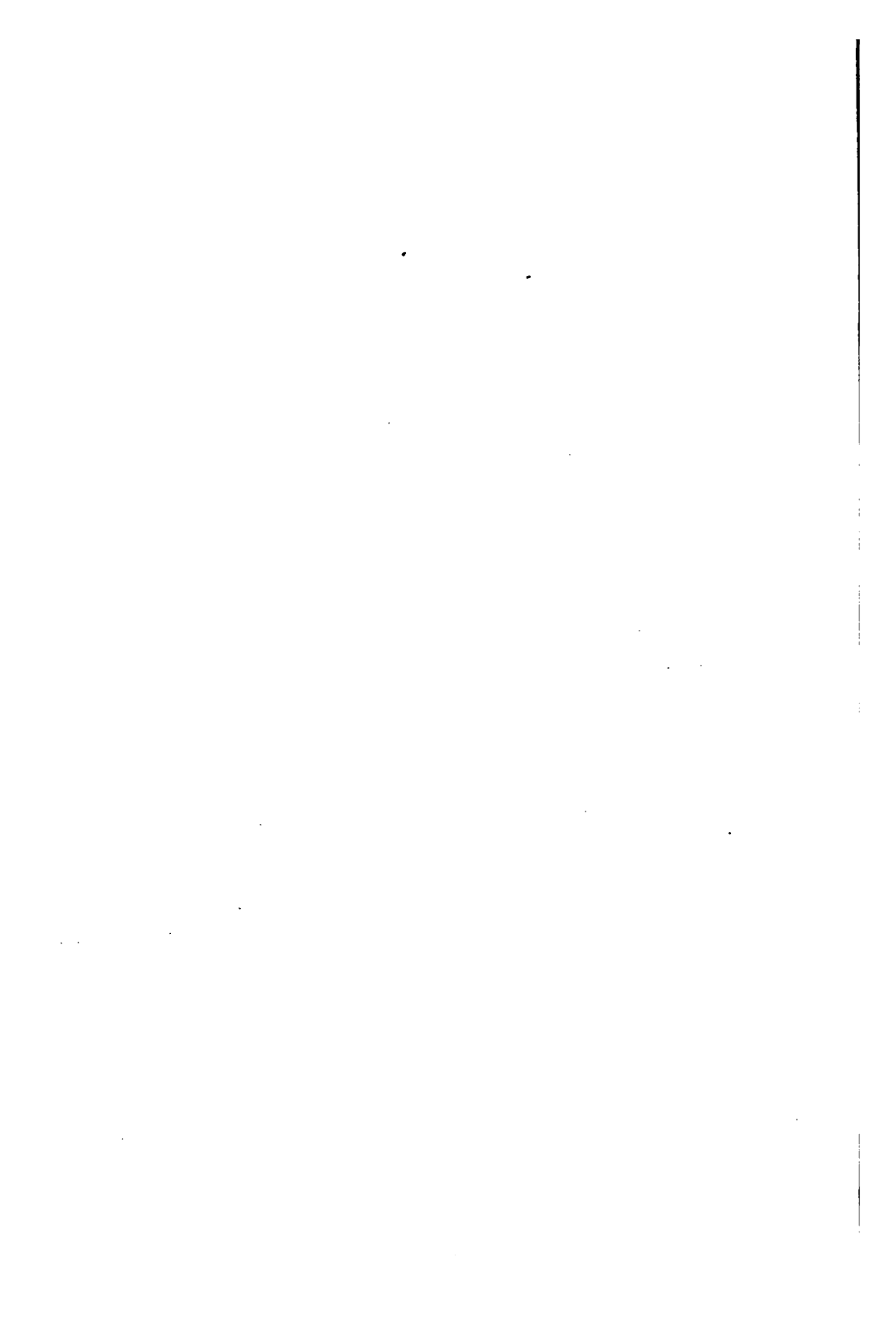
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**TO FRANK OSTRANDER,
my son and friend, and the friend of justice,
are dedicated these pages;**

Written under the shadow of night, with the inspiration of a hope that other hearts may be moved with a deeper compassion and more helpful sympathy for those whose lives are without opportunity and worn out in unremunerative toil; lives that never quicken in the joy of the warm sunshine, but continue barren from youth to old age in the chill and desolation of a "Northern exposure."



FOREWORDS

In the social order of to-day is found the product of many worn-out ages of effort, in which the race has tested by its varying standards of wisdom and folly that which was best and worst in human experience. Something has remained of these gone-by centuries which has crystallized into permanent forms of usefulness; much has been rejected as unsuited to conditions which, although never satisfactory, were always progressive.

Each new departure, in respect to the social obligations to be observed and performed, has taken place in despite of protest, and often with violence and the overturning of established systems. From the arbitrary laws and oppressive regulations to which one period was required to conform, the period that followed was discharged, and new laws were substituted and new duties imposed. In these changes was generally recognized a somewhat

larger measure of personal liberty, and a somewhat better opportunity was afforded for the pursuit of happiness.

Continuing through all these changes has been one persistent purpose—the maintaining of a civil order to which all might appeal for justice and the protection of personal rights. With experience there has been growth, and the mind has gained new powers and new properties. With the change of circumstances, adaptation has been necessary, and with each advance movement different standards of conduct have been proclaimed, and conservatism has uniformly demanded that they should be made permanent; but nowhere, and at no time, have stable conditions been found possible. Energy has been irrepressible and activity has found expression in a better character of life and better forms of social laws. “Reform,” as Emerson has said, “is affirmative, conservatism negative. Conservatism goes for comfort, reform for truth.”

The persons comprising these two parties differ in purpose only as they differ in temperament, but have by separate methods co-operated in the development of higher social and political conditions.

The conservatives have been most frequently the strength of the state; they have been the stone wall that has held in check all backward movements. They have fortified the base line of progress and prevented rout and social disintegration, while the reformers have gone out to battle for new conquests. One party has been static, the other dynamic. The conservatives have been the party of wealth and culture, while the reformers have disregarded personal advantage, the decorum of conventional customs, and, upheld by enthusiasm, have sought in poverty and often in shame a fuller recognition of justice and truth.

It is not the rich and the learned that become path-finders, or join in the crusade against wrongs that have held their place in the social order. There is a certain inertia inseparable from riches and scholarship; in change there is risk, in rest there is undisturbed possession and continued enjoyment. It was the middle and lower classes that began the anti-slavery agitation in this country, some sixty years ago, and it was the same classes that afterwards threw down the gauntlet of war in defense of the Union.

It is the heart that is mellowed with a hard ex-

perience that has the most active sympathies. It is the mind that has but few subjects of thought that thinks most intensely. While the learned have occupied their attention with abstruse matters of science and theoretical and speculative thought, the unlearned and practical thinkers have wrought out mechanical inventions that have brought into activity the slumbering forces of nature, and many times multiplied the power and usefulness of human hands. These persons are the true benefactors and leaders of mankind. As such they are entitled to recognition; we should hail them as fellows and friends, and never should we by contumely or by a "freezing indifference chill the fountains of exertion" which they are using to find the better paths, by which the race may rise to levels of greater opportunity. Wealth is not always a blessing to those who possess it, nor is poverty always a curse; indeed, it has been "the mother of the arts," and literature has been greatly enriched through its necessities. "Poverty," says Heine, "has sat by the cradle of all great men and rocked them up to manhood." Between the rich and the poor there should always be mutual esteem and mutual helpfulness.

Among those who have lived during the past

twenty-five years, to whom does the world owe a greater debt than to Bessemer and Edison? What scholar by his learning, what statesman by his genius and power, what king on the throne has done more than these once poor and unschooled boys to increase the prosperity and enlarge the opportunities of this wonderful age? These are the noblemen whom the world will honor and remember with gratitude, when long lines of kings, presidents and scholars are forgotten, or remembered only in the dull page of history. Man can invest his hope and his energies in nothing worthier than humanity.

There is no time when the individual can wholly separate himself from the welfare of his fellows. There are the common duties of helpfulness, from which none is free, and when extraordinary occasions arise, there will frequently come to exist an obligation to subordinate our personal interests in the service of others. This is no less true of nations than of individuals. Weakness appeals to strength for the protection which it can and ought to give.

“And thou, O England, how the time’s mischance
Hath fettered thee, that with averted glance
Thou standest marble to Armenia’s woes.”

Poor Armenia, oppressed and outraged, reached

out her imploring arms to Europe, asking its interpellation with the cruel Turk and that it be secured the common privileges of humanity. To the pitious cry of a helpless and despairing people, there came no response, and the unrestrained hand of the barbarian continued in its desolating work. It was not because Cuba had suffered more from Spanish greed and tyranny that America now arises to her call, pledging for her defense and emancipation the best manhood and the unstinted wealth of a great and free people.

It is not wealth, education or population that makes a nation great. The quality of citizenship must always be considered. Without heart, a heroic instinct and lofty sense of justice that will in every exigency dominate conduct, there are no compensating traits of character, no circumstances of physical power that will give to a people the distinction of eminence and leadership. American civilization is the outcome of that large measure of personal liberty which is secured to the citizen, and it expresses, when great occasions arise, its repugnance to oppression and wrong. It is a civilization that carries in its soul an intense desire to establish by its acts and its influence better standards of right

than the nations have ever yet acknowledged. In its unselfish championship of Cuba the United States has given to Europe, who with little show of resentment left Armenia to perish, an object lesson of an earnest purpose and a high character of manhood, which Europe may very properly consider an important factor in the future settlement of international questions. By creating a great army and navy, at a time when it was at peace with all the world, to relieve Cuba from a hateful tyranny, great-hearted America acknowledges that it has duties to perform outside of that which concerns its own interests. In this act of magnanimity, unparalleled in the history of nations, is a distinct recognition of the brotherhood of the race. Out of this recognition of a great truth by a great nation comes the hope of the poor and the oppressed of all the world.

Generous are the promises which the present makes to the future; despair is for those who deserve not success. As the days lengthen towards the harvest, so will an attitude of confidence and a stimulating optimism hasten a new and better era. Virgil has written. "*Hos successus alit; possuret quia posse videntur.*"

August 1, 1898.

THE AUTHOR.

SOCIAL CRISIS

CHAPTER I

NATIONAL WEALTH.

In considering our rights and our duties in respect to the state, it is first proper that we should regard the full significance of American citizenship. To do this intelligently, we must clearly understand the boundless resources of our country, and the opportunities afforded and methods to be employed for growth and expansion.

At the time of the formation of the Federal Constitution, the United States had a population of between three and four millions. The city of New York to-day has a population as large as that of all the states when Washington was elected president; and the wealth of New York is now ten times greater than that of all the states under Washington's administration. Within the recollection of

many of us, that part of the territory west of the Alleghanies and the great lakes was almost an unbroken wilderness, and railroads and telegraphs were unknown. On the same territory we now sometimes grow in a single summer 500,000,000 bushels of wheat and 2,500,000,000 bushels of corn. Besides these harvests, we are permitted to take from the bountiful earth fruits, oats, rye, barley, cotton and rice, which together with our beef, pork and dairy products are of more than equal value.

We have now about 182,000 miles of railroad. The aggregate mileage of our trains each day is equal to thirty times around the world. We have \$1,500,000,000 invested in electrical plants and appliances.

While ours is the youngest in the family of great nations, it is the largest and richest of them all. Our realized or visible wealth may be stated at about \$100,000,000,000. Sums so vast confuse the understanding. It would take one hundred persons more than ninety years to count this wealth, each person counting one dollar a second, being continuously engaged during the hours and days in which men are accustomed to work.

Our domestic commerce exceeds that of the entire

world, and is six times greater than the foreign trade of Great Britain. We have \$10,500,000,000 invested in railroads, and we are informed that one of these roads carries more tonnage than all the merchant ships of Great Britain.

We have between six and seven billion dollars invested in manufacturing, the products of our workshops and mills amount to ten billion dollars annually, and exceed those of any other nation. This production is nearly double that of England, which is distinctively a manufacturing country, and which stands next to the United States in the value of its manufactured products. Nowhere in the world are found so intelligent and skillful workmen as in the factories of America. This explains the very high character which American goods have gained in all the markets to which they have been carried.

It is within recent memory that we purchased English rails at about \$130 a ton, and we have since been able to sell a much better rail for \$17 a ton in the same market in which we then purchased. This country annually produces about one-third of the coal used in the whole world, and the entire value of the annual products of all our mines is not far from \$650,000,000.

EDUCATIONAL RESOURCES.

Nearly one-half of all the letters written in the world are carried in our mail bags. Our schools are the best and the most numerous attended; more than 23 per cent of our population is receiving instruction from competent teachers. There is no other nation that can make so favorable a showing in the matter of education. The United States is the only one where a larger sum is paid annually for education than for the agencies of war. In Great Britain only about 16 per cent of the population is receiving the benefits of schools, and Her Majesty's government disburses annually six times as much for war as it does for education. The proportion in favor of the army is 5 to 1 in France, 4 to 1 in Germany and 17 to 1 in Russia. Our public libraries surpass in extent and character those of *all* the nations of Europe. They contain about 35,000,000 volumes. Almost one-half of all the periodical literature of the world is printed, circulated and read in the United States. There are issued from our press something like 3,000,000,000 copies a year.

THE HEROIC ELEMENT IN AMERICAN CHARACTER.

If we have found abundant resources in fertile fields and inexhaustible mines, if our industry, enterprise and skill have converted our once wide stretches of forest and fertile prairies into peaceful and productive farms, thriving towns and the busy paths of commerce, we have not neglected the higher interests of education, nor have the personal courage and heroic character of the American people suffered decadence. So recently that we are still appalled and affrighted with the terror of the events, two million men responded to the call of duty, proving their heroism, and demonstrating that the hands which held the plow, directed the machine or wrote briefs and poems, could by force overturn a stupendous wrong and save an imperilled state.

Heroes they fought to break the cruel chain
That bound their fellow men in hopeless toll;
In flood of war, in flame, in manhood's name,
With giant hand they broke the yoke and foll.

Heroes they stood, sublime and strong,
Battled with shot and shell, in rain of hell,
And millions slain, undid the wrong;
Thus liberty was gained and slavery fell.

In creating a great nation out of the elemental

forces of nature, there has been no sacrifice of the heroic instinct. The American is quickly responsive to every impulse that is stirred with warm blood.

THE BASIS OF NATIONAL WEALTH.

The rapid growth and development of this country is the result of various causes; chiefly, perhaps, the opulence of our natural resources, fertile soils so adapted to the varying thermal conditions of climate as to largely diversify production; abundant supply of mineral ores, coal and water, and above all an active, intelligent and industrious population. We are richly endowed.

Vast is our empire, our boundaries wide,
Adamant mountains kiss the blue skies;
Broad rivers flow to the infinite tide,
'Tis here nature's greatest opulence lies.

To be an American citizen is a boon for which we should never cease to be thankful. Nowhere is man so free in the pursuit of happiness; nowhere is his opportunity so great; nowhere are his labor and his enterprise so abundantly rewarded. It is a veritable land of promise; famines never come and pestilence is barred out by broad protecting seas. Our children and our children's children may here

build their homes and gather their harvests in peace; they may climb the ladder of moral and intellectual attainment and lead the world in thought and material progress.

Here is something to hope for, something to pray for, not with folded hands and in supineness of spirit, but with out-stretched arms and earnestness of purpose. If God loves a cheerful giver, He also loves a willing and determined worker. While so much has been accomplished, it must be confessed that we have been moving to a great extent along lines of custom and habit. The light and the wisdom of our fathers has most frequently guided our footsteps; in social and economic matters we have often followed tradition, when we should more earnestly have sought new inspirations for the solving of new problems.

NEW CONDITIONS CALL FOR NEW ADJUSTMENTS.

The day is breaking, in which there will be wide departures from the social customs and economic principles, which have developed and sustained the growth and civilizations of the past. There are new conditions, which are out of harmony with the

old order. New adjustments must be arranged or we shall fall into social disorder, and our hopes of future empire will perish. What may have been fundamental truths with our fathers, prescribing the manner in which they should build society and the state, signifies nothing; their wisdom was suited to their conditions. Both are of the past. With the advent of a new era, there will be new thought and new life, and those who cannot keep step with the quicker movement must fall behind. The last half century has been distinguished for wonderful energy in competitive thought. Manufacturing and commerce have been revolutionized; the former methods of production and transportation have passed away; the new processes and the new inventions have taken their place. That which was slow has become rapid; that which was laborious has become easy.

In these changes, which should be a common benefit, capital has generally found its advantage, while the lot of the poor man has become more difficult. The new machine has in a qualified sense rendered the skill of the artisan superfluous; it has taken his place in the workshop and factory, and the dignity and profit of labor have been lessened.

Notwithstanding the great triumphs of inventive genius, there remain want and misery everywhere in the land, and independent of any considerations in respect to the well being of the citizen, the state in its own interest should compel such adjustments as to place labor in a position of equal advantage with capital in reference to the new conditions. The welfare of each member of society is the welfare of the whole. This is a matter which the state alone can regulate. All other agencies have proved unsatisfactory; they have produced no marked results, except to disturb business and the public peace.

Poverty means degradation and ignorance; it means discontent and crime. It is an abnormal condition, a hideous deformity of the social body, and a constant menace to the state.

Depravity follows the spectre of want;
And crime joins, too, in its spirit of hate,
As onward they move, hungry and gaunt,
To uproot and demolish the state.

Comfort means a larger intelligence, peaceful conditions and a better civilization.

ABUSES OF WEALTH

We have had many illustrations of the fact that the possession of *great* wealth by individuals is

harmful to the interests of business and detrimental to the state. Unfit men are often put in nomination for offices of great dignity and trust for no other reason than their ability and willingness to furnish the money to corrupt voters or to defray the expenses of a campaign. Often persons of distinguished capability and merit are thrust aside to make place for others, who have nothing better than "the ready cash" to recommend them. We cannot suppose that the foundations of free government are secure when offices, second only in dignity and importance to that of the chief executive of the nation, are bought and sold like stocks to the highest bidder, and when he who has the best filled purse may take positions of the highest public honor. In business enterprises great wealth is frequently employed to corner markets, stamp out weaker and meritorious competitors, and direct trade into channels where it would not otherwise flow.

Instances of these abuses are so common as no longer to arrest the public attention. Any of us can recall instances where rich corporations have bought up hoodling aldermen and state legislatures to secure valuable franchises that could not otherwise be obtained.

Wrongs of this class weaken our sentiments of patriotism, and sometimes cause us to distrust the power and the protective character of government, to which we have been taught to look for equal rights and a fair chance in our pursuit of happiness.

INEQUALITY OF TAXATION

It is a just cause of discontent, among a large class of small property owners, that so much of the wealth of this country is hidden from taxation. Abuses of this kind have become dangerously numerous and flagrant. The revenue laws should be severely just and their execution impartial and free from the suspicion of corruption.

The property of a rich corporation, located in Chicago, and valued at more than thirty million dollars, was last year assessed at about one and a half millions. Such wrongs are exasperating to those who honestly perform their duties as citizens, and should be punished with so much rigor as to secure a proper respect for the law on the part of those who can well afford to bear the burdens of taxation.

Ex-President Benjamin Harrison, a few months

ago, in a speech before the Union League Club of Chicago, said:

“The great bulk of our people are lovers of justice. They do not believe that poverty is a virtue or property a crime. They believe in an equality of opportunity and not of dollars. But there must be no handicapping of the dull brother and no chicanery or fraud or shirking. If our plan of taxation includes notes and bonds and stocks they must be listed. The plea of business privacy has been driven too hard. If for mere statistical purposes we may ask the head of the family whether there are any idiots in his household and enforce an answer by court process, we may surely for revenue purposes require a detailed list of his securities. The men who have wealth must not hide it from the tax gatherer and flaunt it on the street. Such things breed a great discontent. All other men are hurt. They bear a disproportionate burden. A strong soldier will carry the knapsack of a crippled comrade, but he will not permit a robust shirk to add so much as his tin cup to the burden.

WEALTH NOT SECURE UNLESS IT PAYS ITS SHARE OF
PUBLIC EXPENSE.

“The special purpose of my address to-day is to press home this thought upon the prosperous well-to-do people of our communities, and especially of our great cities: that one of the conditions of the security of wealth is a proportionate and full contribution to the expenses of the state and local gov-

ernments. It is not only wrong, but it is unsafe, to make a show in our homes and on the street that is not made in the tax returns. I only allude casually to the sentimental side of this question, to the unpatriotic character of those American citizens who are filching the great privileges of American citizenship. Equality is the golden thread that runs all through the fabric of our civil institutions,—the dominating note in the swelling symphony of liberty. The favoritisms and class distinctions which characterized the governments and administrations of Europe were destroyed with the establishment of government under the American constitution. At the polls, before the courts, in all assemblies of the people, in all legislation, there was to be, not a class peerage, but a universal peerage. An equality of right is the doctrine of a proportionate doctrine of and ratable contribution to the cost of administering the government. Indeed this principle of a proportionate burden might be more properly called an inherent part of the doctrine of equal rights. For one whose right to acquire and accumulate is disproportionately burdened is denied equal rights. If favored classes may not be created, neither may any class be discriminated against. In all of the early constitutions of the state careful provision was made that the burdens of taxation should be proportional, each man paying ratably upon what he possessed. The state was to gather from all and to dispense for the benefit of all. Whims and favoritisms were excluded. Imposition and grace, in a

free republican state, must be without discrimination.

AN APPALLING CONDITION OF THINGS.

"For very many years an opinion has been prevalent that the great bulk of the personal property of the states, especially of the class dominated 'securities,' including stocks, bonds, notes, mortgages, and such like, has escaped taxation. With a very few exceptions, the great fortunes in this country are invested in such securities. There is, of course, in the aggregate, a somewhat wide distribution of the stocks and bonds of some of our great corporations, but it seems probable that these smaller holdings are in a fair degree represented in the tax returns. The delinquency appears to be largely located in our great cities. Recent investigations by students of political science, and recent tables prepared by state tax officials, have disclosed an appalling condition of things. The evil seems to have been progressive until, in some of our great centers of population and wealth these forms of personal property seems to have been almost eliminated from the tax list.

THE FARMERS PAY THE TAXES.

"A gentleman of prominence, residing in one of the smaller towns of New England, recently told me that there had resided in his town for many years a gentleman who was reputed to be wealthy, whom he supposed to be worth perhaps a million

dollars, and who was assessed for one hundred thousand dollars. He died, and when his personal property was scheduled by his executor it was found to amount to about six million dollars—if I recall the figures accurately—and, when this property went upon the assessment roll of the town the tax rate was reduced one-half. In other words, this gentleman, living in neighborly relations to his fellow citizens, and discharging, apparently with kindness, all the obligations of citizenship, had been every year of his residence in the town defrauding his neighbors by compelling them to contribute to the public expense a share that he should in honesty and good conscience have discharged. He was filching from every hand that was extended to him in neighborly confidence. His alms were other men's goods. A newspaper report of the address by the advocates of the single land tax to some Massachusetts tax assessors, contains some extreme but interesting statements. A prominent New York lawyer is reported to have spoken with amazing frankness as to his personal and professional participation in tax evasion, thus: 'They maintain a system which is worth a great deal of money to me, and in these hard times every little counts, and when I think how much they save me in taxes and how much they put into my pocket by the maintainance of their system of taxes I feel grateful to them. I feel grateful to the western farmers, because they pay my taxes.

It is not necessary for me to tell lies in New York to get rid of this taxation; it needs nothing but a little clever management. I manage it for many of my clients. One of them is a clergyman's widow, who would no more tell a lie than anything in the world, but I so manage her property as gradually to reduce it, until this year I got her off the list entirely.'

A GREAT AWAKENING NEEDED.

"Professor Bemis, in a recent letter to the *Independent*, speaking of affairs here in Illinois, and of some revelations made by your Taxpayers Defense League, makes a comparison between the commercial agency ratings and the tax list, and gives this instance: 'A certain banker rated by Bradstreet's among the millionaires, is assessed at \$1,200, or less than one per cent. of his personal property, while a poor woman, Mrs. McGuire, is assessed on her real estate at three per cent. of its value. The question naturally arises, how long will there be any respect for government or law if these things are allowed to continue?' In conclusion he says: 'A great awakening all over this country is needed, and that speedily, in order that the people may appreciate the enormity and injustice of existing methods of state and local taxation, and may be impelled to affect changes that shall make the state an instrument of righteousness rather than what it is now in the matter of taxation—a conniver of fraud and creator of inequality.'"

CORPORATIONS

The term "rich corporation" is here used as a synonym of wealth, and it is not intended to import that corporations are less scrupulous than other persons. A corporation may be rich, while each of its individual share holders may be poor. Contributions to the capital of a corporation are frequently made by excellent people of *small* means. The moral and business character of the corporation in such case will be no worse and no better than that of the persons of which it is composed. Its power is borrowed wholly from its members, and is employed generally for beneficent purposes. The meadow brook cannot turn the wheels of industry, nor float the ships of commerce, but in the confluence of a hundred or a thousand of these little streamlets we have the mighty river, on whose banks are the busy mills, on whose bosom is carried a nation's trade. The enterprises of the period are distinguished for their largeness, involving vast expenditures of money. To secure this money we have invited and obtained contributions from every part of the world. To these contributors we issue our corporate stocks, and with the money paid we build colleges, water works, factories, rail-

roads, and other things of both private and public utility. The fact that the incorporated are seeking to promote their individual interests through the agency of corporate power signifies nothing to their discredit, for how few in number are the persons who are employing their energies or risking their capital in business undertakings without the stimulating hope of gain. Corporations should be judged by the same standards that we apply to other persons; they are rendering a valuable service to the business interests of this country.

Should the vicious clamor of demagogues so influence public sentiment as to cause legislation to strangle this most useful member of society, the duties it now performs of a semi-public character must be assumed by the state. The individual wealth of this country, however large it may be, when forbidden corporate privilege would be unwilling to carry the burdens of a nation's industry and a nation's commerce, and it would be incapable, too, of doing so; and if it were otherwise, we should soon find ourselves in the hands of irresponsible and greedy monopolies such as the world has never known. Franchises contemplating a public service, which are frequently contended for by corporations,

would not be accepted by the individual capitalist unless on such terms of personal advantage as would be a hardship to the public. The reason is obvious. The number of persons in this country having such colossal wealth as to enable them to manage these enterprises is so small that they would be able to dictate their own terms. The corporation is a business necessity, and while like fire and water may be a dangerous enemy when not subject to control, its extinction would be an irreparable loss to society.

DEGENERATING EFFECTS OF WANT

The other extreme of society is composed of a class of unfortunates, who appeal to our sympathy and assistance on account of their destitution and incompetency. By this I am not to be understood that they always subsist by charity or are habitually without food and shelter; persons may suffer much from want who are both fed and housed. A person may have food and clothing, but if the supply is irregular, not nourishing or protective in its character, or if it be deficient in quality, he will suffer from the degenerating effects

of cold and hunger. His physical and mental vitality will inevitably be lessened, and his moral force involved in the degeneracy. A state resting upon a citizenship of this character cannot, and ought not, long to endure. The average man and woman, shut out from every opportunity of life, helpless and hopeless, pressed with want, will not generally be possessed with a very large amount of conscience, and their tendencies will most frequently be to the perpetration of crime. The weaker, yielding to the circumstances of despair which hedge them about, will join the proletariat; the stronger will inflict upon society the penalty of their wrongs. The majesty of the state will be challenged, and life and property made insecure.

To the charge that these poor, famishing men and women are the victims of a gross injustice, it will perhaps be answered that "we are all born free and equal, and with the same opportunities for achieving happiness in life." If this be true the problem would perhaps present somewhat different aspects, but is it so?

Several years ago the world was startled to horror and indignation on reading the account of a great flood in the far east, by which one hundred thous-

and persons perished in a single day. At one town of considerable size, we were told, there were vessels available sufficient to remove the whole population, but these were taken possession of by the more alert and vigorous, and the feeble and helpless were pushed aside and left to be swallowed up by the merciless tide.

This terrible fact of comparatively recent occurrence illustrates two important points in the discussion which we propose; first, that there is frequently, by opportunity and by superior strength, an exclusive appropriation by the few of benefits which all should enjoy.

Second, that society has failed, through its agencies of government, to provide properly for the protection and security of its weaker and less competent members. Generally in the presence of great disasters the ruling traits of human character are pronounced and shown at their best and their worst. There is tenderness and heroism on the part of some, while others disclose a hard-hearted selfishness that gives a detestable distinction to the unconcern they have for their fellows. But we do not need to refer to floods or fires, or to other occasions of exceptional hardship, to learn how much man is

in want of protection against his fellow man. We find that greed should be made content with less, and that the limitations of power should be prescribed.

BENEFITS OF MECHANICAL INVENTIONS

It is estimated that in the application of natural and mechanical forces to production, available power has been so far increased that if an equal division could be had, each family of five persons would be possessed of productive mechanical agencies of a value equal to sixty men working without the aid of steam power and improved machinery ; in other words, if the benefit of natural forces and modern inventions should be so distributed that each person should share alike, the average family would enjoy the advantage of owning an increased productive energy equivalent to what they would have if they owned sixty slaves;—slaves, indeed, that would never tire and never feel hunger or cold. A family so situated ought to be reasonably independent of task masters and free from want and long hours of sweat and toil.

“Wha drudge and drive through wet and dry,
Wi’ never ceasing toll.”

But when I ask for my share, the three score of

stalwart fellows, who are to do my work while I smoke in the shade of my vine and fig tree and read my favorite author, do not materialize. On looking around, I find that my neighbor over the way, a brainy man, enjoys the rest and the abundance of both his own and my share of the golden age of inventive genius. By what sort of hocus pocus my neighbor comes to have so much and I so little, is not easily understood. Clear it is that a large minority of us find no release from toil on account of the great discoveries which have forced from the dumb agencies of nature so large a part of the labor human hands have been accustomed to perform, and we wait and wonder when our turn will come to receive a dividend; meanwhile, the cunningly contrived machines run faster and faster, competition becomes sharper and sharper, and there are hunger, and cold, aching, tired hands and aching, hopeless hearts, the same as there would have been had steam power never been discovered and the vast multiplication of mechanical force never occurred.

That which adds to human effort, giving the strength of a giant to the feeble hands of a child, ought to be a loss to none. There should be no monopoly of sunlight and air; the blessings of

heaven should fall equally upon all, and that which goes to supplement our energies in the growth and development of ideas, in the evolution of thought and the upbuilding of society, should not be the special property of a favored class. We have called from the clouds, the earth and the sea elemental forces, which are obedient to the controlling will of capital. These elements draw the heavy trains over the iron roads; they drive the quick revolving wheels of industry, and capital is rapidly multiplied; but labor, which owns no roads, no factories, finds in the utilization of these stupendous forces only a tireless competitor.

JUSTICE, NOT MONOPOLY

It avails us nothing to inquire why capital has come to hold this position of advantage; we watch its resourceful agencies and see from year to year the further extension of its power and influence. But capital is in good part blameless; it is not even unkind; it follows by orderly methods and with keen insight the law of thrift. We may not despoil by violence or revolutionary acts that which it has acquired by the lawful exercise of its privileges. The principle of compensation is universal in its ap-

plication, and the *quid pro quo* may be demanded. Capital enjoys benefits for which it should return in some form an equivalent; in other words, it should pay for the monopoly of the productive energies mentioned. This is just and can be accomplished by taxation.

We are accustomed to give the weaker horse the long end of the whiffletree. "A perfect equity adjusts its balance in all parts of life." Wealth is strength, poverty is weakness, and the burdens of society should be so apportioned that the greatest weight will rest where it can be easiest borne. In most of the states there are statutory provisions in the form of exemptions, protecting the poor debtor from being distressed on account of the forced sale of his home and such supplies as are required for immediate want. This is humane and wise, and in a sense recognizes the brotherhood and the sisterhood of the race. But if a person's house and bed may not be sold under an execution to satisfy an honest debt, why shall it be taxed to discharge the obligation of the state? Liberal exemptions from taxation will be fair to all, and in a measure will help to adjust the burdens of the state so as to relieve its weaker members.

INDUSTRY SHOULD BE PROTECTED

Whatever may be proposed in the way of establishing equitable relations between the members of society, no changes should be considered that contemplate taking away from the honest toiler that which he has earned. He who has worked early and late and lived frugally, in order to save for himself or his wife and children, should be protected. The natural instinct to provide for old age and for those connected with us by the ties of affection should be stimulated and developed. The highest interest of the state will be promoted by encouraging industrious and economical habits. Our labor is our own, and saving is a virtue, but is the difference between colossal fortunes and abject poverty a matter of industry and frugal living? I think not. There are millions who have worked hard and long, and by their frugality and persistent striving have accumulated fortunes; there are many, too, of the poor who are improvident, but these facts do not explain why one class is rich and the other is poor. Economy and diligence may make the rich richer, and the want of economy and diligence may make the poor poorer; but the great gulf between those two classes must otherwise be explained.

The great coal strike of 1897, during which about 200,000 men were in revolt, was purely a matter of wages. They demanded 69 cents a ton for pick mining, and we are informed that a man can mine about a ton and a quarter a day. The wage asked for would represent $86\frac{1}{4}$ cents as a day's earning, and after working for a week in the dark, bituminous caverns, without light and air, the miner takes home to his family his total earnings of \$5.17 $\frac{1}{4}$. There is not much in this to encourage either extravagance or hope. Here we have an example of industry, and where the most rigid economy is added, how much wealth does it represent in a lifetime?

In the alternation of business and social affairs, we are apt to lose sight of the importance of frequently recurring to fundamental principles. Our neglect in this respect is the cause of a large part of the distress which we periodically suffer.

FIRST PRINCIPLES

In our prosperity we forget the inexorable laws that govern trade and the economics of business. Like the confident swimmer, who ventures far from shore into deep and dangerous waters, we

stimulate energy, but relax in prudence. There are waste, extravagance, unreasonable credits and reckless speculation. The bow, bent too far, is broken; the extreme tension of affairs is followed by collapse and bankruptcy; and thus we are brought, often abruptly, to consider first principles. We study carefully the inflexible rules that govern both success and failure; by difficult and painful processes we learn that life is not a gamble; that for everything we have, we must pay the price; that labor is the basis of value; that booming and ballooning are uncertain ventures and involve hazards of an extraordinary character. In the chaos of affairs which follows a crisis in business, the wage earner suffers most; he is without reserves and the power of adaptation to changed conditions. When the machinery in the factory stops, his means of support is withdrawn; his mental resources will in most cases be found too limited to enable him to cope with the difficulties in which he is involved. These conditions are more common in this country than elsewhere. It is an evil which we should seek to correct.

DEVELOPMENT OF THE MORAL SENSE

Great events and great men awaken new thoughts and new theories of life, and render obsolete many

of those to which we have been accustomed, and which have formed the basis of our action. The great civil war, in which we were so recently engaged, leaving in waste and desolation so much of our country, has given to our civilization a new direction and a loftier impulse. The Armenian atrocities and the contest between Turkey and Greece have stirred the deepest sympathies of the Christian world. From our bruised and outraged nature, from the unappeased passion of our protesting souls, we have risen to higher planes. There has been a quickening of the moral sense and a deepening of the channels through which flow the seed of a nobler manhood and a better civilization. Such men of our own day as Spencer, Darwin and Emerson have revolutionized our mental conception, and given us a new era of thought.

To these changed conditions there must be conformity of action and a heroic and profounder sentiment of justice. We must not evade duties we are appointed to perform. The obligation is upon us to act. This obligation should be accepted with that spirit and fidelity which distinguish the hero and the martyr.

We might at this time well emulate the courage

of a noted anti-bellum orator. I refer to Mr. Garrison, whose voice was often heard for the liberty of the slave, in a whirlwind of public excitement which threatened his safety and that of the state. On one occasion he said: "I will be as harsh as truth and as uncompromising as justice. I will not equivocate, I will not excuse, I will not retreat a single inch, and I *will be heard*."

He was heard; heard around the world, and the dormant powers of righteousness were awakened in millions of hearts; heard at the eternal throne of justice, and the shackles fell from four millions of slaves. He was answered by the uprising of a nation, by the screeching shell, the flaming mouths and reverberating roar of ten thousand cannons. So will all men be heard and answered who raise their voices to challenge a wrong and advocate that which will upbuild the interests of the race. It is not among the most agreeable duties the citizen is called upon to perform, to oppose the established customs and antagonize the views which have been accepted as orthodox for centuries, but man should have the courage of his convictions, and as Emerson has said,

"When duty whispers, lo! thou must,
The brave replies, I can."

Behind our selfishness, cowardice and treachery stands eternal justice, and the white-robed angels; they invite our co-operation and beckon us forward. If we are obstinate, force is applied.

Have faith in Him who governs fate,
Whose potent voice all things await
Nor wait they long; He wills there must
No purpose fail that helps the just.

RELATIONS BETWEEN CAPITAL AND LABOR.

It will not be claimed that the possessors of great wealth have been workers above other persons. The men who have carried the swords have always received the larger pay, but the men who have carried the muskets have generally done the fighting.

So it has been with the captains of industry, and with men who have owned the money that has paid for labor. Their genius and their opportunity have secured them positions of advantage. This fact cannot be a matter of complaint, while the privilege enjoyed is reasonable and the division of profits just. Relations of this character between capital and labor are friendly and beneficial, and will never be the cause of any widespread discontent. Men make and lose by the accidents of busi-

ness; some become rich and others poor. There are the speculators who risk much on doubtful operations; those with keen insight and consummate judgment in regard to legitimate undertakings win, while others with less understanding and less skill fail. The merit or demerit of these classes of men is not in controversy; we rejoice with those who have won an honorable success, and have no other feeling than that of regret when one who has struggled manfully has failed to reach the prize for which he has contended.

While the good and ill fortunes of any class of persons may furnish us interesting psychological studies, they are not so important as to sensibly affect sociological conditions. Society has many substantial interests in what may be called the phenomenal success of its members. When in the race a man gets ahead of his fellows by fleetness of foot or greater endurance, we hail him as the best man and crown him with our honors. The man of wealth is more frequently than otherwise a good neighbor; he is public spirited, he heads the subscription, his home and his park add beauty to the street, and afford pleasure to thousands. Thrift is commendable and should be encouraged. We need

its stimulating example; without it mankind will inevitably degenerate. We need wealth's steady and conservative influence to maintain order and strengthen the protecting arm of the law; we need its cultivating tendencies; we need it to procure that which adds to and supplements utility; that which embellishes social life by contributing to the aesthetics. Without it art, with its form and color of beauty, will languish and be lost. The impulses of modern civilization are distinctively towards a higher culture and better ideals of beauty. Without wealth and the leisure which it affords, this hope it will be impossible to realize, and this inspiration, which means so much to nobler nature, will perish.

THE NEW ERA

But it is undeniably true that the age in which we live has been one of reckless adventure and conscienceless greed; that high public offices have been sold in the market. Justice indeed has been blind, and received her price for being so. Legislation has gone to the highest bidder; combinations have fattened on the toil of the hopeless poor. Discontent has grown, and the public peace everywhere has been disturbed. But in the unrest and turbu-

lence of the present is found the best hope of the future. We have been rushing onward with headlong impetuosity, to escape from the limitations of that social order, no longer adapted to our higher welfare. We are struggling to be free from conditions we have outgrown, and yet we hesitate on the threshold of a new life that beckons us forward. Change is inevitable; revolution cannot and ought not longer to be deferred; but it need not come with strife and the violent disruption of social relations. As the night passes into the day through the gateway of the dawn, so may the new era succeed the old—peaceably, joyfully, and the morning stars may sing a song of jubilee on the birth of a new era, or possibly a new epoch, in which manhood and not gold shall be glorified.

FIRE AND WATER

When the foundations of this government were laid, steam as a motive power was unknown, and electricity was as much a mystery as the canals of Mars. It was something to affright the timid, having some undefinable relations to the lightning rod and the aurora borealis. Since then these two forces have become our faithful friends, multi-

plying our powers many fold. The steam whistle calls electricity from its mysterious silence, and instantly it becomes a handmaid of our homes; it turns night into day, is errand boy on the street, and a swift-winged messenger, carrying our voices from city to city, from state to state, from continent to continent, while we wait to buy our daily paper. When Prometheus gave to mortals fire, he presumably never suspected what Watt would discover in boiling his kettle.

I should not refer to these economic agencies were it not that steam power is the most stupendous fact affecting our social conditions to-day. Its energies are infinite and all can be employed in the service of man. These insensible forces of nature, that never weary and never wear out, are our friends, taking our yoke and bearing our burdens. "Destiny tarries long," says an old poet, "but comes at last to those who pray."

With steam power and improved machinery, which enormously increases the productiveness of human hands, the time has arrived when there should be a relief from the long hours of labor that make man a slave and life a burden. It is not good for man to be idle, nor is it good for him to be

always in the furrow, whipped on from the cradle to the grave by a necessity that never ceases to follow his tired step.

THE DIVISION OF PROFITS

There is something wrong concerning the situation, and that wrong it should not be difficult to find. Let us ask who owns the motive power of this country? Capital. Who owns the machinery employed in manufacturing and transportation? Capital. Who receives the profits from the application of this power and the operation of this machinery? Capital. Does labor find no benefit in this vast industrial revolution, resulting from the development of mechanical skill and power? No, except it is able to buy cheaper the goods manufactured by improved machinery. On the contrary, labor sustains a direct loss on account of the fact that it is put in competition with the new inventions which have taken its place in factory and workshop; a competition in which it is beaten at all points. The machines do the work better and faster and are never weary.

The great progress, therefore, which we have made in mechanical science brings but little sub-

stantial good and much evil to the laboring class. It will of course be answered that the manufacturer is making but little money and that he is a common sufferer with his employes. This is true, and why?

COMPETITION

First, there is over-production. More stock is manufactured than the market will absorb. This leads to sharp competition and underselling. It is a contest of the survival of the fittest, and it involves in its disastrous effects the person who supplies the raw material and the employes who operate the factory and produce the finished goods. Both these classes are compelled to make contributions to relieve the pressure upon capital. Who is responsible? Certainly not labor; its interest and its influence have always been for maintaining remunerative prices. To secure these, there have been organized unions and other labor combinations, with lockouts and strikes, until the agitation and disturbed peace of the country have become a matter of serious concern. There can be no fault charged to labor on account of low prices. Organized labor and the strike are a move in the right direction. So far as its operations are within the

limitations of the law, it is protective, and when the law and personal rights are not infringed should be approved.

No doubt these organizations and the agencies they employ would in a large measure be effective in regulating competition, if they were not opposed by an unwise public sentiment, which on nearly all occasions has been an important factor in defeating the strikes. The same difficulty confronts the manufacturer; whenever he has attempted combinations to protect prices, he has aroused the feelings of a resentful and jealous public, which has found expression in legislation forbidding compacts and other organizations in restraint of trade.

CORPORATIONS AND TRUSTS

Corporations and trusts have become the "raw head and bloody bones" of the period. Without them, as has been shown, the pathway of our commerce would grow up with weeds; the confidence guaranteed by large combinations of capital would disappear, and the colossal transactions which now distinguish our business operations would be no longer possible. Corporations are a necessity of the age, and without them we should be relegated to

the primitive ways of our fathers. They secure to us more than half of the comforts and conveniences that we enjoy. We may properly have faith in the principle of association; we can accomplish but little when acting alone, but when our energies and our capital are in combination, our usefulness is multiplied. There is no doubt but that under proper governmental supervision, such regulations can be devised, through the agency of trusts, as to protect against unreasonable and ruinous competition both the manufacturer and his employe.

Competitive effort should not be discouraged within such limitations as may be necessary to stimulate the best energy and the highest degree of skill. On the eve of the great coal strike of last year, the writer was informed by a railroad official that his road hauled seven hundred car loads of coal each day, averaging twenty tons to the car; that the miners were paid forty-nine cents and the owner of the mine six cents per ton. The miner, working long hours in deep and dangerous pits, breathing bad air, could only earn about seventy cents a day.

WHERE RESPONSIBILITY RESTS

This is referred to as a type of a very large class of cases where the wrong suffered by labor is not

chargeable to the greed of capital. The facts all show that the consumers and the general public are as much involved in the stupendous fraud by which the laborer and his family are starved as any one else. In purchasing coal, iron or manufactured goods, the best skill of all is employed to obtain a bottom figure, and when the laborer in desperation strikes or combinations are formed to advance prices, the average citizen is appalled on account of the moral turpitude involved in the act of making compacts in restraint of trade, and the legislature is appealed to for remedy. This condition of things should not be permitted to continue; it is unjust and inconsistent with a correct theory of both government and morals. The inevitable effect will be a distinct class separation, with embittered feeling and frequent collisions; the state will be weakened and social paralysis result.

POSSIBILITIES OF THE FUTURE

Domestic comfort is infinitely more important to the American people than a large foreign commerce. With comfort there will be content, and material, intellectual and moral growth. The great purpose of life is the development of a stalwart manhood

and a noble and refined womanhood. When this is achieved, there is success; when this is not achieved, there is failure; when more than this is achieved, there is greatness. Our resources are illimitable, and we have the opportunity of giving to the world an illustrious example of a free people, happy, prosperous and progressive, leading in civilization which shall be free from want and strife, reaching out in its influence to all the nations of the earth, and embracing in its benefits the permanent interests of mankind. While our proletarian element is not larger than that of other countries, it may be more troublesome, as from the want of police control abnormal criminal tendencies have been developed. A great army of able bodied men in America are to-day living upon charity or crime. A small number of these are irreclaimable vagabonds, and should be stamped out as the pests and enemies of society. The larger portion of these unfortunates are well disposed and willing to work, but many are as incapable of taking care of themselves as is the horse or the ox.

THE INCAPABLE MUST BE CARED FOR

About one person in twenty born into the world is incapable of acquiring practical wisdom. Some

of these are cared for by friends; the others should be wards of the state. They have frequently sound bodies, but are mentally incapable of directing any business affair to a successful issue. Under the superintendence of others they could be self-supporting and useful members of society. This class can no doubt be very much diminished by humane care and the discipline of suitable labor.

A person who is deficient in mentality or whose intellectual tendencies are inapt for gaining a livelihood, is as much entitled to our sympathy and protection, as a person who is unable to perform labor on account of physical disability. The race would more frequently be to the swift and the battle to the strong, were it not for the qualifying and complicating effects of "gray matter."

There has never been a time when intellectual forces have been more carefully regarded or more highly valued in the competitions of business than at present. A quickened and illuminated mentality, one with a clearer vision and a safer judgment, is the winner in all contests where skill and not brute force is required. This is not a fact to be regretted; if it were otherwise, there would be less to stimulate the development and growth of our

higher faculties. We would move backward towards barbarism instead of forward towards a better civilization, the beams and braces of which must be that which is farthest from animalism and nearest the divine. A power, whether it be physical or intellectual, should never be allowed to oppress the weak. The very marked inequality in our social conditions proceeds largely from the differences in our mentality. The wise are always just, but there is a grasping sort of wit and conscienceless cunning that finds its profit in victimizing the simple-minded and weak. It is less easy perhaps to regulate these abuses by legislation than to create a public sentiment that will cause moralities to cry for judgment with each departure from the right.

HOW THE BEST TYPES OF MEN ARE PRODUCED

It is the judgment of all profound thinkers who have carefully observed mental phenomena that employment along accustomed lines results in adaptation and increased force; that degeneration, physical or mental, follows neglect or disuse of our working energies. Social progress, therefore, depends upon action that has its basis in ethics. The

duties, mental or physical, which we frequently perform, confirm in our character the true spirit of our deeds. If they are good, we are made better by our daily work; if they are evil, we are made worse. The butcher and the soldier lose their sentiment of pity; the philanthropist and the philosopher grow nobler by what they do; their natures are further enriched and refined by the nobility of their own acts, and the love which they pour out for others. There is a kind of sorrow that refers to the affections, which produces a softening influence upon the character, but the general rule is aptly expressed by the saying that we "do not gather grapes of thorns, nor figs of thistles." Like produces like, wrong begets wrong; hardship and suffering do not bring forth the best fruits of righteousness, nor make for the state its best citizens. What we give in love and justice will return to us in better types of manhood; what we do to increase comfort and elevate labor will improve the character of citizenship, will diminish crime and lessen the danger of social disorder.

From rotting clods flowers of beauty rise,
Through darkest shadow the soul finds light;
"In deepest mine the richest treasure lies,"
On toiling wings is reached the loftiest height.

EMPLOYMENT OF THE IDLE.

There is a necessity for the national or state government to embark in schemes of internal improvement. Can this be done? Undoubtedly, and without any severe burden imposed upon the taxpayer. We are now paying a good many million dollars every year to support the class of persons referred to in idleness and misery. This is a loss to society, and only a qualified good to the subjects of the charity. Suppose we expend \$50,000,000 annually for twenty years in the building of roads; we should save a very large part of it in the sums now disbursed for charity, and at the end of each year should have value received for all we had expended, which would be less than half a mill on the dollar of our visible wealth. Massachusetts appropriated last year \$800,000 for state roads.

A few years ago Mr. Volney W. Foster, a large-minded, public-spirited gentleman of Chicago, began the agitation of a boulevard system, extending north from Chicago along the shore of Lake Michigan. Since then this great work has been undertaken and is now being carried forward with the co operative energy of many persons, who appreciate the importance of this class of improve-

ments. Citizens of Wisconsin have become interested in this Foster boulevard, known as the "Sheridan Road," and in a few years we may safely predict that Chicago and Milwaukee, which are ninety miles apart, will be connected with one of the finest drives in the world. To the next legislature of Wisconsin will be presented a petition of two hundred thousand citizens of that state asking for the construction of a state road more than three hundred miles in length, extending from Milwaukee westerly and northerly, uniting points of special interest, and inviting the neighboring states of Iowa and Minnesota to participate in these improvements by building within their own borders connecting roads that will accommodate all kinds of vehicles and enable long journeys to be made with ease and pleasure without the aid of public conveyance.

Aside from the benefits which this proposition contemplates for unemployed labor, the country is in great need of better roads. We have passed beyond the period in our national life of primitive conditions and primitive wants. We who were the children of pioneers remember to have coned our lessons in rude log huts, seated on blocks of wood. This was then necessary, but now no longer so,

and everywhere the child receives his instruction in comfortable buildings with every appointment of convenience, constructed with such artistic effect as to please the eye and develop and cultivate the student's sense of beauty. In the early days we had our "corduroy" roads and hills, and in many places we have them yet. When we were boys we roamed at will through nature's great parks. These have been cut down to build the farm houses and our towns and cities, bound together by one hundred and eighty-two thousand miles of railway. Nature has been denuded of a large part of her primitive beauty, and the time has come when much of this should be restored. The building of roads should be on such plan as will secure permanence and be best suited to utility and pleasure. The better means of transportation is by no means the only important matter to be considered; great parked thoroughfares should extend from county to county, and from state to state, where all classes of citizens, with every character of vehicle for the convenience of business or pleasure, may travel over smooth roads and along beautifully shaded avenues. This work, if done by state authority and under competent official superintendence, may

grow to such proportions and reach such perfection of development as to contribute much to the happiness of the generations to come, and leave upon their characters and the civilizations of which they will be a part our lessons in social economy, the benign and elevating influence of which we shall be so fortunate as to perpetuate in permanent works. The bicycle is here in force and the horseless carriage is on the way. Both imply a larger and different use of the public roads. This new need comes at an opportune moment, to relieve the pressure of our over-burdened labor market.

THE NOBLEST USES OF MONEY

As we have before seen, this is the wealthiest nation on earth. The accumulation of hoarded wealth is the withdrawal from active employment of the most helpful of creating and conserving agencies. Manhood has an intrinsic value; money has no value except for its uses. Its noblest use is in making the highest types of men. This may be done by giving them our help to rise from lower to higher planes, by awakening aspirations and stimulating better impulses.

There is nothing more despicable than making

money for the purpose of being accounted rich; it proves the baseness of one's nature. This is no less true of a nation than of an individual. We should have diligent hands, but not grasping ones; our lives should be active, but not slavish, and of our earnings, of the fruits of our harvests, of the products of our mines, we should give to help the less fortunate and to beautify the world, making it the dwelling house of peace and contentment. Taxation should be so devised that its burdens will rest heaviest upon those who will feel it the least. Those who are more fortunate should be the most cheerful and the most liberal contributors to the funds of the public treasury. A graded income tax is a hardship to none. He only is required to pay much who has an abundance; he who has little is excused. The application of this mode of taxation seems wisely and equitably to meet the conditions of society.

In a free state there is always danger in class distinctions, and the efforts of the statesmen should be to make the separating lines as obscure and indefinite as possible. The individuality of the citizen should be preserved and recognized. The separation of classes and the building up of important community interests signify danger to the state.

" The little rift within the lute
By and by will make the music mute
And slowly widening silence all."

If our social and political institutions are to be strong and enduring there must be the cement of a common patriotism, a common sympathy and a common citizenship. If indeed there is to be a proletariat class, it must be so small as to be without power and influence.

THE LOVE OF COUNTRY SHOULD BE STIMULATED

Special effort should be made to foster a sentiment of patriotism in our public schools. Our children should be taught to love their country and revere the laws. With the idea of justice and morality there should be carefully inculcated a strong sense of duty to country. These early impressions become incorporated into the character of the children, who in later life will be an anchor of safety to the state. The boy is said to be the father of the man, and during his school days he should be carefully prepared to perform, when manhood is attained, the duties of citizenship.

MANUFACTURING IN THE COUNTRY

More than one-half of our manufacturing operations can be carried on with better success outside of large commercial centers. Men of small means, who depend upon their muscle and their mechanical skill for a livelihood, seek the large cities because of the better opportunities for employment. If manufacturing industries were removed from the congested districts the laborer would gladly follow. The country is the poor man's paradise; he finds there an individuality which is denied him in the crowded populations of a great city. He lives on a higher social plane; he is recognized as one of the confederacy of men. This fact stimulates the better instincts of his nature, and he learns to realize and perform his obligations as a fellow man and a citizen. His children grow up in the public schools, live in an atmosphere of peace, acquire habits of order and cleanliness; they mingle on terms of social equality with the children of the professional man and the capitalist. They are guided by the same hopes and stimulated by the same aspirations, and have the same opportunities for a successful career as merchants, manufacturers, lawyers, bankers, in literature and in statescraft.

How many of our great men have started in life poor, and how many of our small men have started in life rich. Besides this, the country has the advantage of more room; land is cheaper, and the frugal operative can soon own his home and garden plat, which signifies greater comfort and less expense. Yes, it signifies more—the man who sits down with his family under his own roof tree will feel the dignity and the importance of his relations as a member of the social compact. His interests will be those of the state; he will always be found on the side of order, supporting the law and engaging his energies with the uplifting and regenerating forces of society.

In the great city the laborer does not often own a home, and seldom lives long in the same locality. He has no neighbor and but few social ties. Cut off from a fellowship, which is the hunger of every human soul, he seeks companions at the saloon; habits of inebriation are formed; his moral and physical forces are weakened, and frequently drunkenness and vice add to the misery of his lot.

It has been the fortune of the writer to be connected for something like forty years with a manufacturing business located in a village of about three

thousand inhabitants. We have employed two generations of men—father and son. During the whole period there has been no want, no discontent, no strikes, and there have been but few comforts which the employer enjoyed that the employe could not afford. All of these employes are respected, and many of them are leading citizens. Not a few of the children of the men first employed have become wealthy in other occupations. Such an experience would hardly be possible in a large city. What is needed for our common welfare is equal opportunities and peaceful relations at home and abroad. Emperor William said, at the opening of the Kiel canal, "All nations desire peace. In peace alone can the world's commerce expand; in peace alone can it thrive."

INDICATIONS ARE HOPEFUL

The omens are good for a glorious future, in which the American people shall have a proud distinction. There are rich harvests in newly developed fields of political science and in art and in general learning, which we shall be permitted to gather. The gates are now wide open to a better knowledge and to a more comprehensive experi-

ence, and the generations of which we are a part may enter and possess. In our struggles and difficulties, no matter how great they may be, we should remember that life is a great boon, an inestimable privilege; it is something to be valued as a gift, and something to be used as a trust. It is a grand inspiration to live with the consciousness that the influence of our activities will be perpetual, and that our accretions of knowledge and the multiplication of our energies will continue when the ages have grown old.

When a person builds a house which he intends shall become a monument of his enterprise and skill, he carefully discriminates in the selection of material to be used; then each stone, each brick and each piece of metal and wood is placed in such careful relations as to secure permanence and the greatest perfection of artistic effect. In building a great social order, the same vigilant care should be observed, for as God lives, only the good will endure. That which is evil there is no power or genius so transcendent, either in heaven or on the earth, as to be able to give to it the character of permanence or the form of beauty.

It was Plutarch who told the story of the ship

master who, in the storm at sea, prayed to Neptune, "Thou can'st save me if Thou wilt, and if Thou wilt, too, Thou can'st destroy; but whatever Thou doest, I will hold true to the rudder."

Whatever exigency may arise, whatever difficulties may be presented in our social and national affairs, we should not forget that truth and justice are above all and must control, and come what may, we will hold true to the rudder of eternal principles.

Every hill has a barren side, where the shadows linger long in the morning and fall early at night. The bleak winds sweep the sterile soil and shriek their song of desolation among the stunted trees. We pass to another side, and there are found the warm sunlight, the verdant grass, blooming flowers, budding fruit and the song of birds.

So it is in the experience of many persons—there are spots where the shadow is perennial; there are dark valleys where the soul despairs and life struggles with death. Fortunate are those who find wisdom in these lessons of hardship and sorrow, whose fibre has been strengthened and whose spirits have been tempered for a larger manhood and a greater usefulness; but there are others, and their

name is legion, whose lives have no sunny side; they are like the dwarfed trees in the shadow of the hill, whose roots find no nourishment in the scanty soil, and whose leaves absorb no oxygen from the arid winds and the beetling rocks. Such persons are more frequently than otherwise wanting in the rugged elements of character, that make them superior to circumstances. The wings of their soul are too weak to enable them to fly away or to rise to conditions of better advantage. Every faculty of their minds and bodies is famished and feels the stunt and paralysis of want. Can we say, as Christian men, that we owe no duty to those people?

Great is the man whose years are lent
To fan the latent fire
Of high resolve and good intent;
To stir our just desire.

He labors on the highest plane
Who finds some better plan,
To swell the joys and ease the pain
Of suffering fellow man.

CHAPTER II.

DUTY OF THE STATE CONCERNING EDUCATION

The primitive man was a savage; cruel and ferocious as the wild beasts, which were both his companions and prey, his instincts of cruelty were softened only in respect to sex and offspring. The progress he has since made in civilization proceeds from the growth of sympathies which are essentially moral, and which have come to exist chiefly through intellectual activities. Without education there would be no generous sympathy and man would still be a savage. The social instinct and the gregarious habit have grown with the development of intelligence. With association came a knowledge of mutual dependence and helpfulness. These were among the first recognized relations between man and man, and formed the basis of that sympathy which now makes all the world akin. Through a stimulated mentality we have found how we may serve and be served in a thousand

ways. A mutual interest and a universal brotherhood are thus established. From selfish considerations we wish to preserve these advantageous relations. Society and fraternity are the result. "Sympathy is two hearts tugging at one load."

SYMPATHY AND CULTURE

The welfare of each person is involved in the welfare of all. In gaining an altruistic feeling, we have advanced a long way. We no longer find delight in witnessing the pain of others. Through the activity of our sympathies, more than half the sorrows proceed from the misfortunes of our fellows; through the development of the imagination, which is a mental faculty, we feel the joy and the sorrow that lightens or darkens the lives of our friends. A great calamity, the burning of a booth in Paris or the deluge at Johnstown, Pa., paralyze us with horror. Personally, we have suffered no loss; those involved in the disaster were all perhaps strangers; but in our deeper consciousness we recognize a universal kinship, and the sympathies of our hearts reach around the world to every one who suffers. This is the net result of education in the broad meaning of the word — the cultivation of the moral,

spiritual and intellectual faculties. The state has a very large interest involved in this matter; our social advancement can be quickened and our civilization permeated with lofty altruism only by developing these agencies of mental and moral growth.

IGNORANCE AND DEGRADATION

From the nature of the circumstances that surrounded the primitive man, his elevation of character was necessarily slow; his struggle was chiefly to protect himself from hunger and cold; his thoughts and his energies were directed to that one purpose; and strange as it may seem, after the lapse of ages there are many millions of persons who still possess no hope, no aspiration beyond a mere subsistence. Here is the true proletariat, and from this class the poor-house and the prison are filled. As a rule, these people are more starved than vicious, and as a class they are the proper subjects of public regard and control. They should be taught and cared for as children of the state,—not in idleness, but in such a manner as will afford them comfort and develop their feeble understanding to the degree of emancipating them from conditions of

dependence. Society should concern itself in the welfare of its members to the extent of giving such assistance as will enable all to be self-supporting and progressive. When aid is given in such manner as only to preserve life in its most wretched form, destitute of opportunity and hope, nothing more is accomplished than to perpetuate an evil. The aid brings no improvement, no possibility of progress. When a tree is planted in sterile soil, its roots may find enough nourishment to support a feeble and sickly existence, but there will be no growth and no fruitage. The average life that is condemned to a hovel and denied every means of comfort is not likely to expand into a robust man or womanhood. On the other hand, a long experience has taught us to expect only waste and deterioration. Such persons will transmit their weakness to their children, and the state, through its neglect and indifference in respect to the well being of its more unfortunate citizens, will suffer from the inevitable perpetuation of a physical, intellectual and moral degeneracy. Horace Mann declared that "education is our only political safety; outside of this ark, all is deluge." And Ruskin has written that "education is the leading human souls to what

is best, and making what is best of them. The training which makes men happiest in themselves also makes them most serviceable to others."

INTELLECT AND MORAL CHARACTER

The gray matter of the brain is the basis of all mental operations. In these operations we have that which is both psychological and physiological, as the molecules of the brain are changed by every thought formed, by every idea conceived and by every fact apprehended. These changes are in an important sense permanent and transmissible from parent to child. When the mind has received distinct impressions or is stimulated to the extent of evolving a rational thought, mentality afterwards will never be entirely the same as it was before. Education, therefore, is an important agency in forming characters, moral as well as intellectual. That which is primal in regard to ethics is perhaps intuitional or inherited tendencies for good. It cannot well be doubted that much of the moral integrity which is shown in exceptional characters refers back to an ancestry which has wrestled with the ever-present problems of right and wrong, found

the truth, incorporated it into their characters and handed down the net results to their children.

“ My inheritance how wide and fair;
Time is my seed field; to Time I'm heir.”

In this way education becomes a perpetual force for good. It is the riches that “moth and rust will not corrupt and which thieves will not break through and steal.” When a man learns to use his brain, which has accumulated facts of a practical order, he will ordinarily be happier and a safer and more useful member of society. The brain, being a physical organ, is subject to the same laws as other parts of the body. By use its capabilities are enlarged and strengthened; by neglect and disuse, degeneracy begins, and if long continued, mental atrophy will result. Mental activity of a proper kind, and within proper limitations, is beneficial to both the citizen and the state. Rational thought is precedent to growth and the only foundation on which the state may rest secure.

EDUCATION SHOULD BE ALONG LINES OF NATURAL APTITUDE

While contending that the poor should have the advantage of a better knowledge, it will not be

claimed that they are all fitted or would be benefited by what is known as "higher education." Every person has his mental limitations, and when education is forced beyond the capacity to receive and assimilate, it is an injury rather than a benefit.

Let us suppose that Mr. Brown and Mr. Smith have each normal brains, of different size and activity. Both are mechanics. Brown is operating a large mill, having a hundred different machines inter-related and propelled by a five hundred horse power engine, with long lines of shafting and hundreds of pulleys. Smith has a small shop, containing a single machine run by a two horse power engine. Each of these men feels a pride in his business, which is managed with success. Now, suppose Smith goes into the larger mill and Brown into the smaller; the effect of the exchange would possibly be failure of both concerns. Smith would be confused with the magnitude and multiplicity of his affairs, while Brown would be "above his business." Success would elude them both. The difference between these men may be wholly in the difference of the quantity and quality of the gray matter each possesses. This disparity may be partly or even wholly overcome by education; but such

result cannot ordinarily be looked for. It is probable that Smith will find, in the management of his shop, a mental stimulus that will produce growth and expansion, and will thus gradually become capable of successfully managing a business of larger proportions. But this requires time and can only be accomplished through the ordinary processes of development. A person may gain a fortune by accident,—be very poor one day and very rich the next. But intellectual power is not the result of accident; disparity in mental conditions can be cured only when genetic conditions are alike. No amount of care in selecting proper soils and in providing conditions of adaptation will succeed in developing a plum tree to the size of an oak,—yet cultivation may do much for both, and by generations of cultivation important beneficial changes will be secured. Suppose Smith, with fifty ounces of a poor quality of brain matter, was passed through college by the forcing process. What would be the probable result? Would the accumulation of a large number of both related and unrelated facts, without generalization, be of much service to him in performing his duties as a citizen or as a man of affairs? The chances are that his acquirements would be

largely at the expense of his usefulness; there would be nebulosity instead of clearness of discernment.

THE LIMITATIONS OF MENTAL DISCIPLINE

The benefit of discipline has its limitations, whether it be of the mind or of the muscle. When exercise is carried to the extent of fatigue, there is a loss of vigor instead of gain. If a person has large aspirations in regard to knowledge, it will generally indicate a corresponding capacity to acquire and use; but it is common enough for persons to be ambitious to be learned for the same reason that they would be rich—the enhancing of social power and distinction—and when they have gained both they will be incapable of using either. Certain facts fertilize, other cultivate, but there is another, and a very large class of facts that have no educational quality, and it will often occur that facts which are beneficial to one as a means of culture will be without value to another. A man will be justified in using his powers to the utmost, and it will often be praiseworthy to do so, but it will be folly to waste his time and energies in reaching out for that which is beyond his grasp. The person

who has not the agility to run should, however, remember that he may walk with dignity and grace. The wisdom of striving is determined by the possibility of attaining.

Smith's mental energy may or may not have been increased by his course of studies, but the chances are that he has less power of concentration and less available force which he can direct to useful purposes than he had before he entered college.

THE VALUE OF FACTS QUALIFIED

Facts do not necessarily possess any generating or fructifying qualities; they do not always import strength of mind, but it is claimed by Spencer, Bain, and other scholars that facts do occupy space in the brain, and may so encumber and so divert action as to lessen its creative force in particular directions.

Imagine a person having a very small plat of ground who should plant one thousand different varieties of seed, each crowding the other, without regard to order and space. Would this ambition to grow the entire flora of a continent in a handful of earth be likely to succeed? All will admit that it would not.

One person may obtain the mastery of a thousand facts, ideas and fragments of knowledge; he may classify, organize, generalize, and in an apt and intelligent correlation find a larger power for action; but suppose the facts were multiplied one hundred times? Where there was clearness before, he would grope in nebulosity and confusion, and his conclusions would express so much of vagueness and doubt as to make them unreliable and valueless as the basis of action.

Higher education often results in acquiring a vast number of absolutely sterile facts, and the possessor profits nothing by his labor. So far as possible, education should be suited to the capacity of each individual to receive and assimilate knowledge.

THE VALUE OF CULTURE

Culture is not in any strict sense educational; it is to the man what dressing and pruning are to the plant; it may be procured without any large degree of mental effort. Slight attention and care only are required during the intervals of rest that are enjoyed by most persons employed in manual labor. "Culture," says Matthew Arnold, "is the

passion for sweetness and light." But Emerson intimates that it is too apt to omit the "arming of the man." The habit of reading books, not too frivolous or too profound, will do more for many persons than the advanced schools in stimulating normal, healthy thought and fructifying character. Good circulating libraries should be within the reach of all. We do not need to be learned men and women to understand and enjoy useful books. The wisdom they contain is often less adventitious to both the learned and the unlearned than the influence that comes from the lives and homes of those who have struggled for truth or a cause, and the stories of love and devotion, which shame our selfishness, moisten the eye, warm the heart, and by the soft, skillful touch of nature prove the unity of the race.

It need not be repeated that the benefits of culture and education are cumulative, the net results of which express the difference between barbarism and civilization. With the slowly passing centuries there has been gathered up into the minds and hearts of the race that which has kept alive and active a hope of better things. This prophesy of the ultimate triumph of the good has become

incorporated with the religious instincts and mental character of mankind.

THE VALUE OF HEREDITY

The value of genetic influence, showing clearer perceptions and increased aptitudes, as generation succeeds generation, expresses something more than the interest on the investments in practical and theoretical knowledge made by our fathers and our mothers. Unmistakably our moral and intellectual natures have been enriched by their efforts, and if we wish to do honor to their memory we will do for our children more than our parents have done for us by passing down to the generations which are to follow a larger capacity for thought and intellectual achievement than that we have received from those who have preceded us. This is our privilege, one that is created by reason of the exceptional opportunities which make conspicuous the age in which we live. These opportunities impose a duty to faithfully transmit to our children the principal, with interest compounded, of the debt we owe to our parents. We may even exceed duty and offer to the unborn future gratuities from the opulence of our strength and our re-

sources. That which we plant wisely they will reap in joy; our diligence will ripen into their good. Mr. Gladstone has told us that "duty is a power that rises with us in the morning and goes to bed with us in the evening." Certain it is that we cannot escape the constant pressure of obligation.

NATURE GIVES DISTINGUISHING FEATURES TO EACH PERSON AND THING

Nature has marked with special distinguishing form, color or character each of the myriad objects it has produced, and with every advance in living organisms, this variety becomes more pronounced. In different climates we find distinct races, each of which is composed of individuals that differ from one another in both mental and physical character. The education and development of races, or their personal types, have everywhere shown an increasing tendency to a wider divergence and a more pronounced individuality. It is clear enough that the creator did no more intend to make of one family all the nations and tribes of the earth than he did to gather into one fold all the beasts of the forests. Education must not proceed on the plan of shaping into one form the mental character of a

people. On the contrary, care should be taken to preserve and emphasize special aptitudes and such useful talents as are distinctly personal. The more a man receives of instruction, the more he should be himself. The guidance should always be in the direction of man's destiny. When this is not done education may be destructive of that which is most valuable in the individual. Emerson declares, "If a man will plant himself indomitably on his instincts and there abide, the huge world will come round to him."

A recent writer on work has said: "There are forms of work so rudimentary that the touch of individuality is almost entirely absent, and there are forms of work so distinctive and spiritual that they are instantly and finally associated with one man. The degree in which a man individualizes his work and gives it the quality of his own mind and spirit is, therefore, the measure of his success in giving his nature free and full expression. The spiritual nature of work and its relation to character are seen in the diversity of work which the different nations have done, and the unmistakable stamp which the work of each race bears."

THE DEBT WE OWE TO UNLETTERED MEN

Education should be broad enough to embrace every subject of research and cultivation. Opportunity should be afforded the unlearned to pursue special studies for the developing of special talent, with reference to the use and application of mechanical force. The inventions which have done so much to multiply the productiveness of this wonderful age have almost without exception been the work of unlettered men, and it has happened too often that they have received but a small part of the benefits which their labors and their genius have conferred upon the world.

This class of *valuable citizens* the state should protect. In the unorganized nebula of their minds is contained the material for that which will direct the giant forces of nature, through the operation of busy machines, to the upbuilding of vast commercial interests and the greater happiness of mankind. From the narrow limits in which these persons are accustomed to act, there is no wide range of confusing ideas. Mental energy is not dissipated in speculative vagaries; they usually bring to the consideration of practical questions a practical experience, and there are often found great concentration

and great intensity of thought in respect to particular matters; but the inventors of this class will frequently pursue their object without success, on account of their ignorance of the laws which govern mechanics. In this way much effort and money are wasted.

ACADEMY OF INVENTION

Government may render its aid to utilize the patience, genius and enthusiasm of this class of persons. There should be, I think, an "academy of invention," maintained by the general government and fully equipped with every facility to aid the inventor. This equipment should embrace departments of instruction and construction. The inventor should have the assistance of those learned in mechanical science and the benefits of skilled artisans in making models, together with such necessary appliances of machinery and power as will facilitate his work and test its value.

GOVERNMENT SHOULD OWN INVENTIONS

The inventor should be admitted to this academy on proper examination by a competent permanent committee of control. Such examination should

refer to no other qualifications or conditions of fitness except moral character and the ability to apply mechanical principles to devising practical inventions. All expenses should be a charge to the government, which should own the inventions and lease them at a reasonable price to all persons who might desire to profit by their use. The inventor should be rewarded by receiving from the government a liberal royalty on the rents collected.

This plan will foster inventive talent and bring into activity a large amount of dormant energy, which in the competitions of life has found no opportunity for expression.

It is not advised that the government should impose arbitrary restrictions upon such inventors as have the means or disposition to pursue their work independent of its assistance. While the "academy" should be free to all who are able to pass the examinations, those who do not choose to accept the privileges offered may receive patents, own and dispose of them as their interests may dictate; but there are many persons who have a fertility of invention, who are financially unable to develop their ideas in form. Others, too, will need counsel and instruction in regard to facts which only men

of scientific attainments can furnish. To these classes the "academy" will be useful, and the country will receive the benefits of much cleverness of invention, which would otherwise be lost.

The person who operates a machine will soonest discover its defects in essential points. To him will come suggestions of change that would not occur to the scholar or mere theorist. The experience of a practical man, however poor and unlearned he may be, quickens inspiration that often leads to important discoveries.

Argument is unnecessary to prove the advantage which the public will gain in having inventions owned and controlled by the government. Under our present patent law, a great discovery in mechanical science usually remains for a long time the exclusive property of the discoverer. The greater its value, the greater will be the monopoly, and the less will be the share of the poor in its benefits. Immense fortunes are frequently made by the owners of a patent, when the inventor receives only a pittance for his labor and ingenuity.

The use of important inventions is often so exclusive as to rob them in large part of their beneficial character. Owned by a single person or corpo-

ration and made a part of machinery designed for some special purpose, its use is so far restricted that only a small part of the public is included within its benefits. Such baneful monopoly could not exist if the invention became the property of the government.

SPECIAL EDUCATION.

Education for exceptional persons, endowed with special aptitudes, may properly consist of the laborious drill of technical studies. When nature has chosen particular individuals for special arts or sciences, the duty has been imposed to master such details as will qualify them for the duties they have been thus designated to perform. When one is doing that for which he has inherited talent and may excel, labor becomes a pleasure and is rewarded frequently with phenomenal results. The winds always fill his sails and the currents flow his way; but these are exceptions; the masses, while differing in the mold of their mental as much as their physical characters, have no such distinctly developed aptitudes as to call for special training, which if undertaken would result in loss of time and energy. Something may be done, it is true, to change

the bent of nature as well as to accentuate it. All reforms proceed on this idea, but education, so far as it is possible, consistent with the environments of the subject, should recognize only pronounced tendencies. For the masses, the chief aim should be to secure such general culture as will elevate the individual, weaken his tendencies to vice, increase his general understanding and strengthen his moral forces. In the common school a good start can be made; there, while obtaining the rudiments of an education, the child will find a fairly good opportunity to arrive at an understanding of his relations to others, and of the advantages to be gained by mental growth and discipline.

With a large class of pupils, these facts will be understood of course only vaguely, and when their brief school days are ended, growth will in a measure stop and the influence of both teacher and lesson be lost, unless aspiration has been awakened and the habit of study and reading confirmed. The competitions of the school room will in most cases stimulate effort, but when these competitions are withdrawn, there will be indifference, inactivity and mental degeneration, unless a sufficient impulsion has been gained to start the pupil, dismissed

from his classes, in an independent quest for knowledge. This is a critical moment for the young of both sexes, and their further education will be largely determined by circumstances over which they are likely to have but little control.

HOME INFLUENCE IN EDUCATION

Reference, it will be understood, is here made only to such youths as are not so fortunate as to be guided and stimulated by a strong and intelligent home influence, who have no parents or guardians able to encourage and counsel when the will is weak or the judgment overcome by the fascinations of pleasure. Pupils of this class, coming from the public schools, are very numerous. Behind them are no reinforcing agencies, and before them is no alluring pathway to a higher knowledge. They hesitate, and many, after having an awakening of life, relapse again into mental sloth and degeneracy. Unfortunately this is the class of persons in which society has the greatest interest in elevating to a plane of progressive existence. The lyceum, social and literary clubs may do much to carry along these candidates for a better manhood and womanhood, until their charac-

ters become fixed through confirmed habits of study or reading.

EDUCATIONAL ADVANTAGE OF CLUBS

Clubs can be made so attractive by conversation, directed perhaps by older persons, by music and dramatic exercises, as to draw in and permanently interest those who are not wholly insensible to the influences of agreeable and refined society. Here is an unlimited field of usefulness in which persons may engage who desire to contribute their efforts and their wealth to the upbuilding of a class of social agencies that will leave their beneficial influence on the hearts and minds of the passing generation. In what manner can philanthropy exert itself to better purpose? As Wendell Phillips has said, "Education is the only interest worthy the deep controlling anxiety of the thoughtful man."

THE THEATRE AN AGENCY OF INSTRUCTION AND CULTURE.

What is needed, too, at this time in the larger towns and cities are theatres where for a *small fee* all classes may witness the presentation of classical and historical dramas. There is no better means

of furnishing instructive amusement than the play. There is no more effective way of teaching morals and the important lessons of social and business life than to faithfully represent on the stage the unhappy consequences of dishonor and vice. There it is, with all the proper accessories of scenic effect, that virtue finds its reward, and villainy, with its disguises and sinuous ways, inexorably comes to grief. It is there that we are brought face to face with the lessons taught in living characters that "the soul that sinneth shall die," and that "though the wicked join hand in hand, they shall not go unpunished." As our natures are stirred deeper while we witness the tragedies of life, so are our impressions made more permanent. Our feelings of indignation are aroused towards the evil-doer; we weep with the distressed, and when the curtain falls depart to our homes with a quickened moral sense, and are better fitted to perform our duties to society and the state.

The poor are now barred from the play house on account of expense. Besides, too, many of our theatres are schools of vice; they are sensational and often inculcate false and depraved views of life and duty. The stage for the people should awaken

only a healthy sentiment, teach truth, justice, patriotism. Its plays should be produced with as careful regard to character building as the utterances of the pulpit. It should be a moral and intellectual force; it should combine the pulpit and the lecture. There should be morality, instruction, wit and amusement.

Many millions of both the young and the old can be attracted to the theater, and by the object lessons there presented find growth and elevation of character, who would find but little profit in reading books, or in listening to the lecture or the sermon. The means of education, of moral and intellectual improvement, will only be effective when adapted to the conditions of the persons whom it is desired to beneficially influence. Institutions of advanced learning are chiefly for the advantage of favored individuals. The church embraces in its ethical culture a larger number, but its agencies are so limited by matters of faith and social conditions that it will for a long time fail to reach with its instruction and its saving grace that large class of persons who have advanced only one step into the light, and will go backward or forward as that voice directs which appeals most strongly to

natures which are not yet free from the conditions to which they were born. The church, the college and the university have unmistakably an important place in respect to our better civilization, but there is a lower plane on which subsist a vast multitude, to which these means of enlightenment are unattainable. These people are not unteachable, nor are they without aspirations. To most of them growth is possible, but it must be in a different soil and with different methods of culture. They may go to the "play-house" to be amused, and remain there to be improved, to find the nourishment which their mental and moral natures crave. Some one has written, "Sow an act and you reap a habit; sow a habit and you reap a character; sow a character and you reap a destiny."

But these theaters must not be "poor houses," built from the grudging charity of the richest nation in the world. They must have a permanent character of construction, be roomy, comfortable, well ventilated and attractive; and, further, they must be endowed, like our libraries, schools and churches. Their educational advantages should be recognized and the office and function of developing manhood, which attaches to other institutions of

learning, should give dignity and influence to this. Some persons will find the best means of growth and development in one class of agencies, and some in another. From a similar experience there will come to each of us a different result. Out of the same soil and under the influence of the same sunshine we grow the beautiful and fragrant flower, the towering tree, and blade of corn. Says Phillips Brooks: "Three men stand in the same field and look around them, and then they all cry out together. One of them exclaims, 'How rich!' Another cries, 'How strange!' Another, 'How beautiful!' And then the three divided the field between them, and they built their houses there; and in a year you come back and see what answer the same earth has made to each of her three questioners. They have all held out their several hands and the same ground has put its own gifts into each of them. What have they got to show you? One cries, 'Come here and see my barn.' Another cries, 'Come here and see my museum.' The other says, 'Let me read you my poem.' That is a picture of the way in which a generation or a race takes the great earth and makes it different things to all its children." With eloquent words he tells us how

the sympathetic earth responds with instant, keen discrimination to the different sensitive touch of each different human nature which is laid upon it.

MEANS OF EDUCATION PROVIDED NOT
WELL ADAPTED TO BEST BENEFIT THE
POOR.

Liberal provisions have already been made for the education of those who have the leisure and the money to make available the opportunities afforded by the schools. Many millions have been expended to secure for the *student* every facility for pursuing his studies under the most advantageous conditions. To some of the states the general government has made valuable grants of land, for the benefit of higher education, and there have been numerous and often munificent donations for the same purpose, from persons who have had the means and who have appreciated the benefits which these institutions of learning have conferred.

But the poor boy and girl, leaving the graded school to engage in employments that tax the muscles without stimulating the brain, have little part in these generous appropriations. The curriculum is difficult and illy adapted to the pioneers of a new

life, to those who are without the aptitudes which come from generations of study and discipline. But these young men and women will perform an important part in our social democracy; they will be either elements of support or weakness. We cannot ignore their existence, nor safely treat with indifference such methods of growth and cultivation as are best suited to their undeveloped understanding. Under our present system of education, we are contributing to assist those chiefly who already have an abundance, to the neglect of those who very much need help. It is not so important, so far as the general interests of society are concerned, that persons of large intelligence and large opportunities should be offered the means of further advancement, as it is that persons, as Mr. Emerson expresses it, "who are pawing the earth to be free," should have our co-operative aid to break the degrading bonds of illiteracy, and to rise in the scale of existence. We are so involved with one another that the good of each will depend upon the elevation of all.

Whatever is done in this direction will strengthen the social union between classes and promote the wellbeing of all. We must regard every man as our brother, whether he is weak or strong, wise or

foolish. In a democracy he will be our co-worker in the building of the state, and that which adds to his manhood and gives him a larger intelligence and skill will enhance the value and secure a greater permanence to that which is our mutual undertaking.

EDUCATION OF EXPERIENCE AND OBSERVATION.

Education is by no means confined to the knowledge of books and the drills of schools. That which opens our eyes and quickens observation, that which gives us the power of our own souls will resolve nebulosities, and add larger vistas and clearer perceptions of duty. The highest perfection of music is the trilled note in the throat of a bird, and the artist goes to nature for his colors and the true chiaroscuro of his work.

President Eliot of Harvard University once said: "The school should teach every child by precept, by example, and by every illustration its reading can supply, that the supreme attainment for any individual is vigor and loveliness of character. Industry, persistence, veracity in word and act, gentleness and disinterestedness should be made to thrive and

blossom during school life in the hearts of the children who bring these virtues from their homes well started, and should be planted and tended in the less fortunate children. Furthermore, the pupils should be taught that what is virtue in one human being is virtue in any group of human beings, large or small,—a village, a city or a nation; that the ethical principles which should govern an empire are precisely the same as those which should govern an individual; and that selfishness, greed, falseness, brutality and ferocity are as hateful and degrading in a multitude as they are in a single savage.”

ART EDUCATION

Conditions have much to do with the development of art. As music thrills our deepest sense of appreciation only when the soul is articulate with song, so it is in every department of art. The hand that chisels the marble or paints the canvass must be moved by the impulses and inspirations that proceed from the harmonious relation of body and mind. There can be no great expressions of beauty, no immortal conceptions arrested with form and color where there is no sustaining joy, no divinity of hope and peace. True art has no relations with

commerce. Standing apart from the competitive trades and professions, scorning the utilities of life, it ascends the ladder, resting on the clouds, and proudly writes its name, to be read by all ages.

"Art," says Jean Paul, "is not indeed the bread, but the wine of life." And Emerson tells us that art has somewhat of divinity in it; that it goes further back than talent, and is the path of the creator to his work.

Art must be free; when embarrassed by disturbed social conditions its expression will show the limitations to which it is subject. Inspirations of a high order attend conditions where the heart beats full and the mind is free from all restraints. When in art inspiration is lacking, performance is a task and its fruits meager. The rich are few, the poor are many; those who have the means for pursuing art for its own sake, to develop its lofty ideals, with rare exceptions are persons whose ambitions and opportunities lead them in other directions. Those who do not possess the means of an independent living must work for their daily bread. Thus, art is degraded and robbed of its imperishable character. No great work of art has been created without the stimulus of a great in-

spiration, and without such social conditions as permit repose of mind and soul.

Art in America chiefly takes the form of utility, and only when thus employed is it remunerative, and only then encouraged. In architecture a good deal of progress has been made in recent years, and in practical inventions we have outdone the world; but the neglected field is one of great wealth. Nowhere is there more abundant material for the sculptor, painter and poet. We have our heroes, whose names will go down the ages; there have been events in our recent history that have commanded the attention and thrilled the whole world. Our natural scenery is nowhere surpassed in extent, grandeur or beauty. But the genius who will clothe these subjects in the form of art does not appear, and will not until the way is prepared for his reception.

EDUCATION SHOULD NOT UNDERTAKE MORE THAN IT CAN ACCOMPLISH

Education for a very large class of persons, here and everywhere, is too general in its character, too much diffused; its practical and ultimate purpose is too little regarded. There is waste of time

and confusion of ideas where there should be economy and clearness of perception. Mr. Wardlaw Thompson tells us of his visit to one of the principal schools of Hong-Kong, where he found a large number of youngsters hard at work with their lessons. He inquired of the teacher, "Do these boys learn geography?" "No," was the reply. "What are they doing in arithmetic?" "Nothing." "What history do they read?" "None."

"Then what on earth are they doing," was the reply. "Oh, they are learning the classics."

It was then explained that Chinese children attend school four years to learn the characters of the language and the proper sounds to be given to each. During all this time there is no thought stimulation; for the whole period the mind is wearied with memorizing arbitrary characters. When this is accomplished, the pupil enters into the mystery of connecting meaning with the signs with which he has, through so much labor, become familiar. And the end and purpose of all, Mr. Thompson informs us, is to introduce the student to the four great Chinese classics. These mental processes, long continued, produce the inevitable effect of mechanical action. The habit formed is of

remembering, and not of thinking. The child by these methods of instruction is made incapable of independent cerebration, and we find the result in China as it must be everywhere else, under the same system of tutelage,—a dwarfed manhood and a civilization without vitalizing and progressive energies.

HAVE WE NEGLECTED ART EDUCATION ?

The American people have displayed great genius and power in creating wealth, but they have neglected to save from waste that which is of greater value than their broad fields of wheat and corn; they have left to common toil and to die unknown many persons who, with the advantages of special instruction in respect to particular arts and sciences, would have given increased lustre to our civilization, and conferred benefits upon all the generations that follow. To that nation to which such exceptional prosperity has been given, much may reasonably be expected in building up the higher and more permanent interests of the race. Our fields may become sterile, our commerce forgotten and our great cities crumble into ruins, but that which is well done in the development of special talents, that

which will multiply the uses of mechanical energy or create nobler ideals of beauty, will become a valuable property of the race, and will add to the character and happiness of mankind when the shame and the glory of the present have been forgotten. "The best government is that which inspires the nobler passions and destroys the meaner."

Every person, great or small, has an influence which at some moment will be felt by others, and effort will be stimulated and character moulded for better or worse; and here I make my own the eloquent words of a brilliant writer and preacher, who is yet young, but whose inspired lines will some day be read and spoken in many languages, awakening to nobler lives millions of men and women. Mr. Hillis has said, "Not all men are of equal value. Not many Platos; only one to whom a thousand lesser minds look up and learn to think. Not many Dantes; one, and a thousand poets tune their harps to his and repeat his notes. Not many Raphaels; one, and no second. But a thousand lesser artists, looking up to him, are lifted to his level. Not many royal hearts, great magazines of kindness. Happy the town blessed with a few great minds and a few great hearts. One such citizen will civilize an entire community."

CHAPTER III.

SOCIALISM.

Socialism contemplates both the unification of labor and a community of interest in property. This would inevitably effect the elimination of all competitive effort and result in widespread degeneration, as there would no longer exist a dominating motive, on the part of those having exceptional ability, to engage their talent and their energy with distinction. Rest is the natural desire of all persons, and effort will seldom be put forth unless it be to satisfy a want. This want may be to obtain some object of physical comfort or necessity, or may be frequently an ambition to excel in such a manner as to secure fame and to place oneself in relations of better advantage in respect to the future.

WHEN ENERGY IS QUICKENED BY COMPETITION.

Competition, within proper limitations, is not an evil and should be recognized but not destroyed. A

man should not only be free to develop his powers by competitive exercise, but there should always exist a motive for him to do so; but such competition should be so restricted and controlled as not to interfere with the normal conditions of business. When absolute equality is recognized in respect to industrial and social conditions, the motive for special effort will be weakened or destroyed, and progress will cease. Social and industrial relations should be established on such basis as to stir sluggish natures and cause the best talent to be stimulated to its fullest development. No impediments should be put in the way of those who have aspirations to rise in the social scale or genius to do particular things better than they can be done by others. It will be a loss to society if sterile minds, unskilled and indolent hands are permitted to encumber those who are endowed with rich mentality and forceful action.

“Genius has privileges of its own; it selects an orbit for itself; and be this never so eccentric, if it is indeed a celestial orbit, we mere star-gazers must at last compose ourselves, confess its rights and conform to its laws.”

SOCIALISM AND CIVILIZATION.

Society as it exists to-day is the product of evolution, stimulated and reinforced by ambitious hopes and untiring labor; it has grown out of the experience of the ages, and the changes undergone have been the result of the varying circumstances of war and peace, of famine and abundance, of growth and decay. The progress shown is the net gain of the centuries in which the race has striven, and proves that the good has more frequently than otherwise prevailed in the struggle for supremacy. Civilization will be good or bad just as we make it; one or the other, just as it is advanced or retarded by social agencies. When these agencies are paralyzed by withdrawing their most active forces, only disastrous consequences can be expected. A form of society which proposes Arcadian simplicity will check the march of a civilization which has grown complex in the vast multitude of its important interests. The law which governs business affairs is inseparable from the affairs to which it relates; they develop together; one cannot be changed without changing the other; it is that which long experience has shown to be best. No more can the commerce of to-day be fitted to the conditions of a primitive

society than the liberty and convenience of a grown man to the dress of a child. All growth has been along the line from the homogeneous to the heterogeneous, from the simple to the complex. This is the law of development, one as rigid and inexorable as that of gravitation.

SOCIALISM CONTEMPLATES THE ABANDONMENT OF PROGRESSIVE IDEAS

The proposal, therefore, of socialism, to re-establish the rules of a patriarchal government, signifies the abandonment of a progressive civilization and a return to the customs and social habits of the early fathers. It is the dream of those who have fought and been defeated; it contemplates rest, not growth; it signifies death not life. What socialism, in its broad sense, proposes may afford ideal conditions for the old and worn-out, but the young and the vigorous have the spirit of freedom and adventure. They want no leading strings; life is robust and exuberant, and demands opportunity for expression. To curb this spirit is to dwarf it, and the net result will be decrepitude and decay. Energies that find their proper exercise are strengthened; those that are denied exercise are weakened. This has

been the one true story of human experience. Mill has said that "energy may be turned to bad uses, but more good may always be made of an energetic nature than of an indolent and impassive one." "Without it," Goethe writes, "there are no talents, no circumstances, no opportunities that will make a man of a two-legged animal."

EQUALITY IMPOSSIBLE

Socialists do not distinctly explain what they intend by "equality." Literally, to be equal, either physically or mentally, is impossible. The person of small stature will be less physically than the person of a large one; and the person having a large brain will in respect to mental power usually act on a plane of greater advantage than the person having a small one. If equality contemplates a general leveling of the race, will the processes proposed have the effect to raise the lower classes to the highest plane, or to reduce the higher classes to the lowest? In either case the object sought cannot be obtained by legislation, nor by any change in the form of society.

GROWTH MUST NOT BE REPRESSED

Society as at present organized has a distinct purpose concerning the elevation of its members, and no change will ever be permitted that has in view such qualification of results as will deprive any class of the full benefits of diligence and education, or the satisfying of the individual hunger for knowledge and growth. If the widely separated classes ever meet on terms of equality, it must be after a long period, in which the lessons of experience and of the schools shall have done their perfect work. A very wise writer has said, "Nature knows no equality; her sovereign law is subordination and dependence." Generations of aspiration, study and labor have accumulated a wealth of aptitude and mental fertility which is the rightful property of some; and generations, too, of waste, of mental and moral profligacy have left others so debilitated as to be able only to perform the simplest duties of life. There is no just reason why the construction of society should be so changed as to deprive the first of these classes of its rightful possession, in order to temporarily ameliorate the sufferings of the second class, even if such results were possible. The permanent good of both

will be promoted by stimulating and reinforcing the energies of those who are pressing forward to greater achievements in contests that are free to all. Equality presumes equal opportunity and equal effort. These conditions will never be found. Mr. Carlyle has declared that "he who is the inferior of nothing can be the superior of nothing, the equal of nothing."

We may not shackle the thinkers and the workers who are standing in places of opportunity to render to the world a substantial service and to give to manhood a higher character. To do so will be no benefit to the poor and unlearned; but in the long run will lessen the opportunities and degrade the condition of all. The progressive movements of the world must not be encumbered with ambulance trains for the accommodation of those who are too indolent to walk, and the largest freedom of action must be guaranteed to those whose energies and whose genius have given them commanding positions in respect to economic science and the productive industries of the age.

SPECIAL TALENT MUST BE RECOGNIZED

Individuality should be preserved; no two persons have been created in the same form, mentally or

physically. They are as distinct in respect to their aims and capabilities as in respect to their personal appearance. Nature has diversified our talents, and given to each a special object and a special hope. Success will be achieved by every person only as he conforms to the fundamental law of his nature. There must be obedience to the genetic instincts; there must be a faithful following of the ruling passion. When these impulses, these finger boards of nature are ignored, life will be a failure, action will be full of repugnances, the tide will always flow in the wrong direction. Mr. Longfellow has said:

“ Study well,
Wherein kind nature meant you to excel!”

Let us not attempt, in pursuance of the blind vagaries of a social theory, to undo what our Creator has done, in the abundance of His wisdom. Statescraft, science, philosophy and art are as important in the social order as the cultivation of the soil or the making of chairs and shoes. The higher the development of exceptional talents, the greater cause we have for congratulation. Those are the ladders by which we climb to higher levels. It is the men of genius who “blaze” the way through

the desert to the promised land. Persons who are not producers, in the literal sense of the word, but possessed of great mentality, are often the most valuable members of society. They are the leaders and the pathfinders; it is their voices we follow in the darkness. Such of us as have different and perhaps more practical gifts share in the honor of their special distinction, and are carried on the wings of their thought into new worlds of inquiry and speculation. That which is produced by special talent in time becomes the common property of all.

Any social system which would contemplate the complete obliteration of all distinctions between the philosopher and the bootblack, which would call in all the pioneers of thought and consign persons of genius to manual employments, is not one that will foster high ideals, nor lead the race forward to its noblest destiny. Says the French proverb, "Every one according to his talent, and every talent according to its work." The socialistic plan dwarfs the individual and magnifies the state. Besides, too, it restricts personal liberty to a degree which no tyranny has ever dared attempt.

IMPORTANCE OF PERSONAL LIBERTY

Compulsory labor, under governmental control and supervision, possibly would minimize crime and secure a fair average of physical comfort; but this advantage, if advantage it be, would not compensate for the loss of liberty, the natural and inalienable rights of men to be the master of their own persons and to pursue happiness in such vocations and under such circumstances as their own wills or judgment may dictate. There is no sentiment deeper rooted in the human soul than that of liberty. It has been the inspiration of humanity from the earliest dawn of civilization; it has been the watchword of ten thousand contending armies; it has been pronounced by freemen, serfs and slaves, while eyes flashed defiance and tyrants trembled. Schiller reasons that "liberty, with all its drawbacks, is everywhere vastly more attractive to a noble soul than good social order without it, than society like a flock of sheep, or a machine working like a watch."

Is man so degenerated that he will surrender his liberty to a government task-master, obeying his commands, stifling his own inspirations to win fortune or fame along lines "where kind nature meant

him to excel?" Has the tree of liberty grown at last so old that it no longer bears fruit? If so, let us pray that the last trumpet be sounded, that the race be saved from the shame of being submerged in the sloth and inanities of a voluntary servitude.

THE REMUNERATION OF SERVICE.

The apportionment of labor and the distribution of its products, under the socialistic system, is a problem of great difficulty. We are told that this will be done by society in the exercise of its aggregate or communal powers, but we are not informed by what principle of selection particular persons are to be designated to perform particular tasks, nor on what basis compensation shall be made. There is to be "equality," but what does equality signify in respect to the different employments in which the members of society are engaged? Is the person who has no skill to be reckoned the equal of the person who has? If so, what motive will exist on the part of any person to become expert? Superior capability implies previous effort in preparation and greater care in performance, but if this special skill is not recognized in remunerating service, if each person is to be rewarded alike, will not skilled work-

men gradually disappear, there being no sufficient motive to develop a proficiency in the execution of their tasks? The character and duration of labor being the same with the skilled and unskilled, inevitably the quality of labor will deteriorate, its inspiration will fail and its dignity be lost; but if there is to be a distinction between the capable and those highly capable, between the ordinary laborer and one having exceptional skill, in what manner is the principle of equality preserved? Here is an insurmountable difficulty, which lies at the very basis of this impossible system of industry.

WE REAP OF THAT WHICH WE SOW.

In the existing industrial order, there are no troublesome complications of this kind. The person who neglects his opportunities to gain, by study and careful painstaking, a mastery of his business, who wastes his leisure hours in idleness or unprofitable amusements, is compelled to accept for his labor a less sum than is paid to the person who is ever diligent in preparing himself for a more skillful performance of his duties. The question of compensation is determined under the ordinary rules that govern business affairs. The expert will

do more work during the same number of hours, and do it better; his labor, therefore, has in the market a greater value than the labor of him who is not expert. To be expert imports a previous expenditure of energy in a particular direction. "Everything a person parts with is the cost of something, and everything he receives is a compensation for something."

It may be said that there are certain kinds of employment where skill is not required. This is in a qualified sense true, and in such cases the price of labor will generally be regulated by supply and demand. The supply ordinarily being large, the wage is frequently so small as to become a hardship. When this occurs, the remedy is not always apparent. Partial relief has been found in labor organizations, and additional relief may be realized in a larger employment by state and municipalities in making needed improvements of our highways and streets.

IMPORTANCE OF LABOR.

Whatever may be done for the amelioration of this class, which is so large as perhaps to constitute a tenth of our entire population, will involve the

difficulty of attracting a large immigration of incapable laborers, ignorant and impracticable theorists from Europe and Asia. In this particular it is easy to see that the situation would be much worse if the government was remodelled on the socialistic plan. America would soon become the asylum of a large part of the idle dreamers and erratic thinkers of the old world. We should be submerged by a turbid deluge of ignorance and fanaticism. There is no occasion to invite this social eruption and invasion; while important departures are needed and should be made, the government is fairly protective and a very large majority of our population is prosperous, free and happy.

SOCIALISTIC LEADERS.

The writer disclaims any purpose to disparage the efforts of Karl Marx, Engels, St. Simon and others, who have zealously labored, with distinguished ability, in behalf of socialism. Marx was a scholar and a man of elevated character; he had no selfish interests to serve in the advocacy of unpopular ideas. But Marx had the infirmity of many excellent persons, of judging important things from the heart instead of from the head. Besides, too,

Marx lived under a monarchical government, one that maintained a large army and was frequently engaged in destructive wars. The conditions with which he was confronted gave such an angle to his mental vision as to make his judgment of little value, when applied to the social and political conditions of *this* country. He saw the enormous waste of great armies, the suffering entailed, and could find no relief for the masses except by overturning the political structure of his country and erecting on its ruins a government "of the people, by the people." In Germany socialism has made astonishing progress. This proceeds partly from the conditions to which reference has been made, and partly from the peculiar traits of German character. Socialism, wherever found, is essentially Germanic in its spirit and form of thought. While the German people are ambitious and good fighters, they love peace, are moved by sentiment and soften easily to the "touch of nature which makes us all akin." They are calculating and reason clearly when the tension is on, but relapse quickly into the vagaries of speculative thought.

THE PURPOSE OF SOCIALISM.

The dominating purpose of socialism appears to be the drawing together of the extremes of society on a plane of common comfort, and under conditions where the lower class may rest in satisfied want, and where the upper, more active and intellectual class may be curbed in their ambitious undertakings. It wholly ignores the supreme fact that life is action, and that under conditions of the greatest freedom there will be the greatest happiness; that the grand purpose of existence is not rest, but growth and development; that this can best be secured by that form of social organization that does not repress but stimulates individual effort along lines of inherited aptitude and pronounced inclinations.

WHAT SOCIETY SECURES.

Society, as it now exists, represents that which is available of the highest wisdom and the best experience. It was not built to order by social tinkers, but has *grown* out of the wants, the aspirations and the hopes of the generations that have preceded us. In rudimentary form it existed with the untutored savage; with the development of civiliza-

tion, it has become more complicated in its mechanism. The interests it serves and protects are not only vast in their magnitude, but they are also vast in number and variety of character. More than a thousand million of people, each with their separate affairs, move in orderly procession under its regulating hand. Society may not be ready to deliver all its promises nor prepared to enforce all it requires; in respect to some important particulars there may be want of fitness and adaptation; nevertheless, it is the best fruit of experience, the noblest work of man. It is something so stupendous, as affecting human interests and human happiness, that we should hesitate long before venturing any radical change. Embodied in its structure are the prayers of the saints, the blood of the martyrs and the best thoughts and the best efforts of the best of mankind. The interests of one class in society should not be built up at the expense of another class. That which is just will be permanent and for the good of all. "*Pro rege, lege, grege.*" Mr. Emerson has expressed the opinion that society should be considered "barbarous, until every industrious man can get his living without dishonest customs;" and the same writer adds, "society can-

not do without cultivated men. As soon as the first wants are satisfied, the higher wants become imperative."

SOCIALISM NOT PROGRESSIVE.

Socialists of the Marx school refer all industrial undertakings to the control of the government. This contemplates a very radical change in the whole social order, and involves difficulties which cannot be overcome without the complete subversion of personal liberty. It is revolutionary, instead of evolutionary; it looks forward to a millenium of peace and good will, in which individualism shall be lost in the social body, to an existence on a low plane of contentment, where hunger will be unknown, and where living will not depend upon thinking. It is easy to see that the conditions which this class of socialists seek to establish will not be progressive. If "the agitation of thought is the beginning of wisdom," so, too, is it the condition of growth. Any plan of society which takes away the stimulus for intellectual activity is destructive of that which chiefly distinguishes man from the brute. Habitual mental indolence leads rapidly to mental atrophy. Ease and contentment will in

most persons lead to a debilitating indolence, which, if not overcome by a masterful ambition, will in time cause the most virile faculties to become lifeless, and reduce the flame of a noble passion until heat and light are gone and nothing is left but the colorless smoke of an insipid virtue.

The Social Democracy of the United States is chiefly concerned to secure an eight hour day, the government control of railways and reform in taxation. American socialists are acting primarily for the elevation of labor. They do not propose to make war on capital, but to unburden and emancipate labor, to equalize conditions without seriously disturbing the equilibrium of social forces. They are iconoclastic only so far as the social convention fails to respond to the necessities of our personal environment. While the changes advocated are important, they do not refer so much to basic principles as to methods of reform. The appeal will be made to the ballot by a discussion intended to educate and awaken the conscience of the voter.

The German socialists are in large part the followers of Karl Marx, and while holding to the extreme views of their distinguished leader, their action has been generally temperate and conserva-

tive. The German is both practical and speculative; while amusing himself with theories, he hesitates long before breaking away from the customs and traditions of his fathers. It must be admitted, however, that socialism, both radical and conservative, has made very considerable progress among the Germans, both at home and abroad.

In England the socialists are divided into two distinct classes, holding different, and in some important particulars, antagonistic views. Neither class is large enough to be regarded as an influential political factor. Those adhering to the principles of Marx and Engels number probably less than four thousand persons.

The other party, known as Fabians, is somewhat more numerous, and in its origin is perhaps more French than German, and its methods of propaganda are essentially different from those of the other party. Its members are generally persons of education and character, and they appear to be in no haste to disseminate their political and economic views. Their declaration is thus stated:

“For the right moment you must wait, as Fabius did, most patiently, when warring against Hannibal, though many censured his delays; but

when the time comes you must strike hard, as Fabius did, or your waiting will be in vain and fruitless."

The Fabians are distinctly English in their purpose and tone of thought; they favor no revolutionary schemes; they proceed by pacific methods; their aim is to convince and not to compel. Property rights are to be respected, and while the labor classes are recognized as the principal sufferers under existing social and economic conditions, they appeal to the middle and upper classes, whose welfare is involved in the good of all. The Fabians are not dreamers, but men capable of logical thought and earnest, determined purposes. Their efforts are likely to produce a profound impression on the minds and conscience of the English public, and it is not improbable that their attitude concerning these questions may have an important influence on socialistic discussion in both Europe and America.

Mr. J. R. McDonald, who is a leading Fabian in London, and represents the most radical wing of that party, stated to a leading Chicago newspaper that "the duty and mission of the Fabians is to lead, to proclaim ideas and grand conceptions, to

appeal to the popular imagination and the deeper sentiments of human nature. Interpreting and pushing spontaneous legislation of a socialistic character is not all a Fabian can and should do. He and his friends think. Socialism, after all, is opposed to the whole existing order of things, and it can never be respectable enough to win the full sympathy of those who are selfishly interested in perpetuating private capital and competitive industry. Socialism means a new order of things, and its apostles must be fearless, rash and enthusiastic."

The Fabians are the "silk stocking" element of socialism.

CHAPTER IV

DUTIES OF THE STATE

GOVERNMENT OWNERSHIP OF RAILROADS

Should the government own or control the railways is an important question, which must be considered in the near future. Under its right of eminent domain, there is but little doubt that the government may take possession of these roads. Of course a just compensation must be returned to the present owners. All the railroads in the United States have a nominal value of about ten and one-half billion dollars, but this represents a good deal of "water," and it is believed that a fair appraisal would not show a greater valuation than six billion dollars, and should the government become the owner of this vast property, the national debt would be increased to that amount. But does this fact constitute an important objection to the purchase of the roads? If these agencies of our national commerce are profitable to their present owners, they should be equally so to the govern-

ment, and would not therefore probably increase the burden of taxation. The government will of course be charged with increased responsibilities and with the performance of additional duties. The interest on this debt at two and one-half per cent would amount to \$150,000,000 annually. Under prudent management of the roads, the net earnings would much more than pay the interest. With the growth of our population and the increasing development of our commerce, it is not at all improbable that the entire debt would be extinguished in forty years, from the revenues of the roads. If the American railway companies can show net earnings under present management of \$350,000,000 annually, it is not an unreasonable expectation that with the advantage of government control they would repay the cost of purchase in a shorter time than that mentioned.

It would not be necessary or wise for the government to receive a conveyance of all the railways at one time, nor would the government need to become a borrower for any large sum to secure the ownership of these properties. In making purchases from time to time, it would probably be able to issue its twenty, thirty or fifty year bonds, which

could be refunded, if necessary, to suit the convenience of payment. A great nation of abundant resources, one rapidly increasing in wealth and population, should not be alarmed at the magnitude of such a debt, when it represents the cost of productive property in actual possession, and employed in stimulating the prosperity of the country. These bonds could be made in small denominations and in such terms that they could be easily transferred, and thus soon pass into the hands of the mass of people, and represent the savings of labor and economy. Every person holding one of these securities would have a direct interest in the peace and permanence of the government. They would thus come to be bonds of strength, bonds of union and promoters of harmony.

The American people suffered a loss of eight billions of dollars in the waste of the Civil war, but that waste has long been repaired; our wealth is now much greater than before the war, and in that experience we have learned the almost limitless character of our resources and the abundance of our recuperative strength. There will be no waste in this undertaking. For every obligation incurred, the government will have value received, in a form

of wealth that will be both useful and immediately productive. In the usual business transactions between individuals, the rule is of general acceptance that it is prudent to buy when there is ability to pay and the property offered is *productive* and at a fair price.

The wealth of the United States is estimated at about seventy billions of dollars. This estimate is chiefly based on assessments for taxation, which are far too low. The rule in many of the states is to schedule for the assessor at about one-tenth of the actual cash value. There was recently published a statement made to a Chicago assessor by one of the large corporations located in that city, from which it appeared that property to the value of about \$39,000,000 was returned at \$1,561,955. While this case is exceptional, it indicates the very low basis of values on which property is usually assessed for taxation.

One hundred billions of dollars would probably be a low estimate of the value for all the property in this country. The value of our annual productions from agriculture is about \$7,000,000,000, while our manufactured goods amount to about \$10,000,000,000. There are no atrophied nor debilitated indus-

tries in the conditions presented; on the contrary, we find nothing but virile action and robust health. With social relations undisturbed and with the contributory aid of the government, our annual productions may be doubled in forty years, and this implies a large increase in the business of transportation.

THE PASS BRIBERY

Government ownership of the railroads will place every person who has occasion to use them on a basis of exact equality; there will be no passes to bribe and demoralize judges and legislators; there will be no rebate to important shippers. The universal practice of issuing passes to persons of influence and those holding important official positions can have no other purpose than to create obligations on the part of those benefited, to render a service to the road, to secure for it a grace which it ought not to enjoy, or to defeat justice, which has no paid retainers. The judge who rides free over a company's road will be influenced, perhaps unconsciously, by the fact that he has been favored by the corporation that is seeking judgment at his hands. He who bears the sword of justice should

be as upright as he is strong. "*Libra justa justitiam servat.*" The effect of giving passes has weakened the sentiment of duty among all classes which have received them, and many who have not been within the favored circle have felt the baneful influence of the practice of dispensing benefits to silence the voice and bind the hands of those who should be always outspoken and free to act. The railway official, in his distribution of passes, recognizes the principle that —

" It is discretion's primal law
To favor those who have them in their power."

The importance and magnitude of the railroad business is such as to secure a quasi-public sanction to its disreputable methods of debauching the virtue of public men, and "boodling" has thus become a common vice. No one is so much responsible for the shameful disregard of official honor as railroad corporations.

REBATING

The custom of rebating to large shippers is a hardship and an injustice to small ones; its effect is to create monopolies and to build up the rich at the expense of the poor. The carrier should be impar-

tial; the small shipper should have the same rates of transportation as the large one, but in practice this is not done. The carrier, to defeat his competitor, to secure or retain a valuable customer, will offer special inducements. This will most frequently be done by indirect methods.

In the history of a great oil company doing business in one of the eastern states there are some very dark pages, showing forceful action along the sinuous lines of business. It had wells flowing ceaseless streams of unearned wealth, but this did not satisfy the ambitious owners; they must have dominion as well. "The earth and the fullness thereof" must be theirs; competition must be crushed, and this could best be accomplished by a secret deal with the pliant railroad managers, by which the oil company was to have a rebate of from forty cents to three dollars a barrel on the oil shipped by their competitors over certain lines of road. By this surreptitious arrangement other oil companies could not compete, and it is claimed that this business strategy enabled this great oil company to control ninety-five per cent of the whole refining trade in this country. By the railroad and oil companies' corrupt alliance, the former secured a

remunerative carrying business, and the latter amassed a large profit through its monopolistic control of a trade which extends to every part of the world. A few persons in this way have become possessed of great wealth, at a cost to others who were entitled to fair treatment by the carrier.

Railroad managers without experience or special executive talent have frequently gained riches and distinction by the occult processes of "addition and division." Mr. Bonham, in "Industrial Liberty," (page 109) very caustically characterizes the persons engaged in this class of nefarious deals in the following manner:

"Their whole occupation has consisted in directing and managing these artifices of appropriation, and yet their malversations have made them prosperous and wealthy far beyond the wealth and prosperity of the men who have pursued the most profitable lives of regular industry."

There is no way by which the government can prevent rebating to important shippers while the railways remain in the hands of private corporations.

A case was recently brought to the writer's attention which aptly illustrates that law-making

and inter-state commerce commissions are inadequate to secure an impartial enforcement of freight tariffs.

A wealthy shipper, who owned a large number of cars, requested the manager of a leading railway company to rent one thousand of these cars for sixty days. The reply was that the railway had more cars than they could use at that time; that several thousand were standing idle in the company's yard. On this refusal the shipper inquired: "What would be your decision in respect to my proposition should I offer to keep the cars mentioned employed during the period named in transporting my own freight?" Exactly these arrangements were concluded, and it will be understood provided for a rebate to the shipper in the form of mileage.

LEGISLATION INEFFECTIVE

Laws cannot be framed with so much astuteness and foresight as to successfully defeat special arrangements concerning carriage and its compensation, when such special agreements are beneficial to both the railway and the shipper. There will always be found enough "gray matter" between

the parties interested to find a way of accomplishing that which will be a mutual benefit. This may be done in numerous ways. Under billing is frequently practised, and liberal commissions are paid to solicitors, who it is understood will divide with shippers.

Mr. Charles Francis Adams said, in his testimony before the "Cullum Committee," that these practices had become very alarming (pp. 1218-1362).

Mr. Dabney, in the "Public Regulation of the Railway," writes: "That the railroad (a public highway) should thus be made the instrument to build up one individual and break down another, is a thing never contemplated, and not to be tolerated."

It was one of the purposes of the Inter-State Commerce Act to undo this wrong, but its provisions, by trickery and deception, have been successfully evaded. Under government ownership there would be no motive for favoritism and fraud, and every shipper would be on equal footing.

Under governmental control all the railroads would be taken out of competition and much money saved, which under the present system is wasted through the frantic efforts of managers to ruin one

another's business. The cost of these spasmodic raids is enormous, and without corresponding benefits to the public. There is a large direct loss to the roads on account of rebating, passes and other inducements to shippers; there is temporary congestion of traffic on certain lines, while from others business is withdrawn, normal conditions are disturbed among the roads, and shippers always suffer because of the unexpected and unprovided-for derangement of traffic; there are idle men, idle running stock and a loss of revenues on certain roads, and there is confusion and unprofitable congestion on others. Millions of dollars are disbursed every year by competing lines in unnecessary advertising, and for unnecessary solicitation of patronage. This would be all saved if the roads were owned by the government. The rates of transportation would be as definite as the price of a postage stamp. Trade and travel would flow in an orderly manner, and along lines of "natural selection." The aggregate freight mileage in the United States in 1896, notwithstanding the general depression of business, amounted to 93,885,853,634, and the passenger mileage to 13,044,840,243.

The almost inconceivable magnitude of these fig-

ures suggests the necessity of uniformity and clock-like precision in regulating the details of the railway business. Each department should be operated in reference to every other department. This is important for the welfare of the roads as well as for the convenience and best interests of the public, and this can be secured only when all the roads are unified under a central management.

The railways employ a vast army in repair shops, for section hands and in the running of trains. For several years these men have given evidence of their discontent by frequent strikes, which have often extended to other employments, resulting sometimes in violence and the interruption of travel, and affecting disastrously the trade and productive industries of large sections of the country.

SOCIAL STABILITY.

A great majority of railway employes are men of exceptional intelligence, and it has been shown that they have an important influence with other labor organizations. Their permanent content and pacification will signify much in respect to social conditions. When these persons are employed by the government, under proper civil service regulations,

their positions will have a character of greater permanence and dignity, and out of their relations to the state will come to exist a profounder sense of obligation to strengthen the power of government, by repressing violence and actively exerting their influence to preserve order. Much will be gained in the interests of more stable and peaceful conditions by transferring this large and intelligent body of agitators from the arena of strikes and labor contentions. Their employment being removed from partisan politics, the railway men of this country would at once become an influential and even a stalwart power in support of a conservative and progressive civilization.

This is an important consideration, and one which thoughtful persons will not neglect at this time, when so many revolutionary projects are forced upon the attention of the public mind. It is not wise statesmanship to ignore the dangerous tendencies which agitation has taken. While there is much in this agitation that is of the "stuff that dreams are made of," there is much that is sane and just, and it is safe to predict that before these controversies are ended, the status of society will be changed in many important respects. It will be

safer to anticipate the demands of revolutionary parties and proceed with no unnecessary delay to make such changes as must inevitably follow the evolutionary processes that are going on.

CONSIDERATIONS OF PUBLIC INTEREST.

In the commonwealth all things should be made subordinate to justice, and the best interests of the citizen. Laws should be enacted and all effort directed to that end. That which is best will generally be found possible. Under the present management of the railroads, the traveling and business public is charged with the waste which results from reckless competition, as we have shown, and if by the governmental control a better service can be had for a less rate, the people will be benefited by the change and will be entitled to have it.

In Germany, a large part of the railroads is now operated by the state, and the change from private ownership has shown satisfactory results. No inconvenience was experienced in adjusting business to the new methods employed. The system adopted by the government was less complicated and better suited to the conditions of commerce than that previously in use. If the rates of transportation were

not cheapened, it was because the government desired to make the property productive of a revenue beyond what it had before earned, and beyond what it should be reasonably expected to produce. While the administration of public affairs in Germany is conducted with careful economy, the maximum power of taxation is always reached by the state on account of its immense disbursements, to maintain an army and navy that will intimidate the other nations of Europe. It is not therefore unnatural that it should seek revenue by putting under contribution the agencies of its domestic commerce. "The development of Germany as to railways has been second only to the United States, the increase in mileage since 1875 having amounted to sixty-two per cent. In that time the state has purchased or built 20,000 miles, and now owns 25,400 miles, or ninety per cent of all the railways in the empire, involving a cost of \$2,550,000,000."

We may in the United States make the experiment of the government ownership of railroads under conditions of much better advantage. Our undeveloped resources are beyond computation, and our maximum power of taxation will not be reached in centuries, if ever.

In Belgium the government owns and operates about 2,500 miles of railway, and its management has been satisfactory to its patrons and profitable to the government, notwithstanding the fares charged are much less than in this country. Tickets are sold, good for fifteen days, over the entire system for \$10, first class; \$7.60, second class, and \$5, third class. Mr. Charles Waring in his "State Ownership of Railways," refers to the remarkably low rates given on special trains for the accommodation of laborers in passing to and from their work, and then discusses the benefits received by both the working men and the state, on account of the special privileges granted. He says:

"The effect of the liberal policy of Belgium has been to make a most attractive country for working people. Although one of the most thickly settled districts in the world, the immigration into Belgium since the inauguration of her progressive railway policy, has steadily exceeded the emigration.

"Side by side with the state administration of the Belgium roads and the successful reduction of rates and fares, Belgium has developed a degree of prosperity unequalled by any nation of similar population and resources in the world."

On the special trains mentioned, round trip tickets are sold, good for six days, carrying passengers twelve times over the roads at the following rates:

Living 3 miles from place employed, 21 cents a week.
Living 6 miles from place employed, 27 cents a week.
Living 12 miles from place employed, 37 cents a week.
Living 18 miles from place employed, 41 cents a week.
Living 24 miles from place employed, 45 cents a week.
Living 36 miles from place employed, 53 cents a week.
Living 43 miles from place employed, 57 cents a week.

Nowhere would these cheap fares be more beneficial to persons employed in cities than in the United States. City homes for the poor are nowhere more uncomfortable than here, and nowhere does the country (the less pretentious suburbs), afford larger opportunities for good homes and economical living. The cheap tenements in large towns are squalid and unhealthy; the atmosphere in the poorer quarters is contaminated from the dirty streets and still more dirty alleys. On all hands there is temptation and sin, unrest and squalor. These are always the incidents and accessories of a poor man's home in a great city, and these, too, always affect the physical, intellectual and moral life of the laborer, his wife and children.

There are between six and seven million persons

employed in the manufacturing industries of the United States. Many of these are heads of families, and if cheap suburban transportation was provided, it would certainly have the effect to remove several million persons from cramped and filthy congested districts to healthy country homes. The state has an interest in the welfare of these persons. Bad sanitary conditions in one part of the city imperil the health of the other parts. The pestilence that is bred in darkness and corruption reaches out for its victims along the well-lighted and well-swept streets. Ignorance and crime go hand in hand, from the hovels of the poor and the haunts of vice, to prey upon all classes of society. If we would be secure from contagion and crime, we must remove the plague spots from our large towns and cities.

To do this is one of the important things for which government is established; it is a material part of the social contract. The misery which arises from reasonable wants unsatisfied, from cold and hunger, from energies paralyzed and hopes crushed, lies at the foundation of all discontent and all revolutionary agitation. The laborer goes to the city to find employment, and remains there because his wages will not permit his going a few miles to a

restful country home. With the cheap Belgium fares, this difficulty would be overcome, and the great turbulent city, with its physical and moral contaminations, would every night be deserted by many thousand men and women, weary with their daily toil.

Mr. Waring informs us that the very dense population of Belgium has become still more dense because of the advantages of cheap suburban travel. Intelligent statecraft cannot overlook or neglect these benefits which the citizen may claim,—not as a privilege, but as a right. Those classes in society which are accustomed to perform necessary duties that are more laborious and less agreeable should not be barred out from any opportunity which the more favored classes enjoy, when such opportunity can be easily provided; the pleasure of restful homes and such common comforts as make life worth living. It is written, “Thou shalt not muzzle the ox that treadeth out the corn,” and a just government will so recognize the principle of compensation as to reward the faithful and patient worker by supplying every reasonable opportunity to make his life comfortable and progressive. A distinguished English divine has said: “In every

country the nation is in the cottage, and if the light of your legislation does not shine there, your statesmanship is a failure and your system a mistake."

REVENUE vs. EXCESSIVE RATES

High rates for freight and passenger traffic may not always secure the largest revenue. A rate may be so large as to become prohibitive, or so low as to cause increase of business to such extent as to multiply profits.

Many years ago there was a contest for the Reading and London business between the Southeastern and the Great Western roads of England. The distance between these cities is 134 miles, and for more than a year and a half passengers were carried the round trip for seventy-five cents, first class, and fifty cents, second class. It was stated by the manager of one of the roads that the traffic had been so much stimulated by the reduction in fares that profits had not been diminished.

Both of these roads made different tariffs on separate parts of the lines operated,—the fares on that part of the lines not involved in the competition being about ten times higher than on the other part, and yet the companies admitted that they had real

ized a good profit at the cheap rates, and one of the roads at least declared its willingness to continue business on the reduced basis.

In Russia, under the tariff of 1894, the average rate is less than one cent a mile, third class. On one of the roads the fare for a distance of 1989 miles is only \$5.95. This is more remarkable because the country through which the road passes is thinly populated.

CONSIDERATIONS OF THE PUBLIC INTEREST

The arguments for low rates of transportation are based chiefly on two propositions. First, that the cost of operating a train is not materially different, whether the cars are full or only partly so; that the cheaper fare will cause a larger number of persons to go abroad, and that the net revenues will be about the same in one case as in the other, the advantage being in favor of low rates, as the railway will be as well remunerated and the public better served.

Second, that the public welfare is a consideration of paramount importance; that the railways should no more be a source of profit to corporations than the streets and highways; all belong to the same

class of social and economic agencies. It costs no more to build one hundred miles of railroad than it does to pave one hundred miles of streets. Each serves a similar purpose,—the convenience of the public,—and each should be free. Of course the cost of the equipment of the roads and the cost of operating the trains must be paid by persons using them.

There are many valid reasons in support of this proposition. There would be a larger interchange of commodities and a closer relationship between the citizens of the different states. Fraternity of feeling would be promoted, resulting in harmonizing and unifying our political, social and business interests.

For purposes of illustration, let us suppose that the railway did not exist, and that all the country roads were owned by private corporations, which collected tolls from each person who used them. We can easily see that travel would be restricted, and that our domestic commerce would be cramped to such a degree as to call forth protestation and resistance. Intercourse between towns, both near and remote, would be narrowed to the most important affairs; the poor could seldom afford to go from

home, and the burden of local tolls would deter all classes from undertaking long journeys. Such limitations to our freedom of action would dwarf business enterprises and prevent social growth.

RAILROADS AS PUBLIC HIGHWAYS

There does not appear to be any such important distinctions between railroads and public highways as to justify imposing tolls on one class, while the other class remains free. As there will be less growth, less expansion, less progress, with travel on the highways taxed, so will high fares on our railways delay and obstruct our national development.

Mr. S. Sherwood has aptly written: "They virtually assume that society has irrevocably delegated to irresponsible private parties the right to determine what industries shall be built up, what particular individuals shall be driven out of business, what localities shall be developed, and what ones stunted and ruined. And since the fixing of rates does actually involve such results, it has simply become imperative that society shall resume its sovereignty and regulate rates. The railways affect far more vitally and generally than do other

industries the *future* of society. When built they are permanent. They must be used. The country will be developed along their lines. Their management and rates affect the development of society, not for a few years, but for centuries. Further, they have become the central industry. Their policy dictates in the main the policy of all other industries. It is this which makes the control of railway rates so manifestly a social function. It is the lack of necessary harmony between the present interest of individuals and the permanent welfare of society, which breaks down the principle of unrestrained competition, as a general rule."

GOVERNMENT AID IN BUILDING RAILROADS

We cannot fail to recognize the utility of the railroads. The public schools and the railways have been the most important factor in the nineteenth century civilization. The railways have given employment in the United States alone to more than one million men. They have followed the miner to his camp and the pioneer through the wilderness, making available our vast mineral wealth and developing towns, cities, and even states

in regions that were before almost inaccessible; they have stimulated enterprise and given an impulse to industry which attest their value; in a little more than a half century they have changed the whole character of our domestic commerce. Their usefulness and their power constitute the best of reasons why they should come under governmental control.

In making this change there would be no hardship to the present owners, for they would receive adequate compensation. Besides, it must be remembered that the public is a silent partner in this immense business to the extent of having contributed hundreds of millions of dollars to aid in the original construction of these roads. The pioneer railways were all largely built by private subscription and the sale of municipal bonds. When near completion the roads were mortgaged, and later a judgment and foreclosure sale canceled the certificates of stock issued to individuals and municipalities for the amount of their subscription. The railroad builders of this country have displayed a remarkable wealth of resource in respect to their schemes of conscienceless plunder.

Prof. A. T. Hadley, in "The Railways of Amer-

ica," details some of the simpler methods of the "construction pirates" for enriching themselves and robbing those who furnished the capital for their operations. He says:

"Let us take a specific case. An inside ring issues stock certificates to the value of \$1,000,000, on which perhaps \$100,000 is paid in. They then publish their prospectus and place on the market \$2,000,000 of bonds, with which the road is to be built. They sell the bonds at eighty per cent., reimburse themselves the \$100,000 advanced by charging the moderate commission of five per cent. for services in placing the line, and have at their disposal \$1,500,000 in cash. These same directors now appear as a construction company and award themselves a contract to pay \$1,500,000 for work which is worth \$1,200,000 only. The road is finished, and probably does not pay interest on its bonds. It passes into the hands of a receiver. Possibly the old management may have an influence in his appointment. At the worst they get back all the money which they put in, plus the profits of the construction company, in the case supposed 300 per cent. The bondholders, on the other hand, have paid \$1,600,000 for a \$1,200,000 road. But

the troubles of the bondholders and the advantages of the old directors by no means end here. When the receiver takes possession, he discovers that valuable terminals, necessary for the successful working of the road, are not the property of the company but of the old directors. He finds that the road owns a very inadequate supply of rolling stock, and that the deficiency has been made up by a car trust, also under the control of the old directors. Each of these things, and perhaps others, must be made the subject of a fight or of a compromise. The latter is often the only practicable alternative, and almost always the cheapest one. By its terms the ring perhaps secures hundreds of thousands more at the expense of the actual investors."

DONATION OF PUBLIC LANDS

This government has donated altogether, 211,890,489 acres of land in aid of railroad construction. This donation is equal to about five times the whole area annually planted to wheat in the United States. These grounds are large enough to make a good sized state, and include the best agricultural and mining lands in the country. Besides these very

liberal gifts, one road at least has received a large subsidy in money. These facts are pointed out to show that several of the principal railways are largely indebted to the public for their existence, and that it is not an unreasonable demand that the public interest shall be considered in connection with their future management and control. While many of the roads pay no dividends, the average paid on the stocks and bonds of all the roads is something more than three per cent. This is small enough; but when we take into account the very large amount of watered stock represented and the fictitious cost of construction by reason of the frauds practiced, there is much reason to believe that under government control a large reduction in rates of traffic could be made and still leave the earnings much more than sufficient to pay interest at two and one-half per cent. on the present cost of construction.

Mr. Ackworth ("Railways and Traders," p. 152) says that "most stock has been paid for a little above fifty per cent. of its face value, and loss has been caused less by inadequacy of earnings than by theft of money earned."

INTERESTS OF LABOR INVOLVED

The practicability of the government ownership of railroads, it will be understood, is considered here largely in respect to the interests of labor and the stability of social conditions. The change advocated would withdraw more than one million picked men of exceptional intelligence from an active agitation, which threatens the peace and permanency of the state. When these persons are brought into direct relations with the government and find their employment satisfactory and permanent under civil service regulations, content will take the place of turbulent agitation, strikes and dangerous unrest. The average person prefers order to disorder, peaceful relations to strife and embittered contention, and under circumstances of comparative comfort will always be the conservative upholders of law. Such persons can be relied upon to sympathize with those who are wronged, but will oppose violence and favor amicable measures of adjustment.

HOW VALUE OF RAILROADS MAY BE DETERMINED

We have built railways when steel cost five or six times the present price. There was frequently

speculating rascality in the construction, and the roads are now operated to pay dividends on watered stock as well as on the actual sums disbursed. This is unreasonable and should not be permitted. Steel is a large item of expense in railroad building; rails and bridge material have so far declined, under improved processes of manufacturing, as to reduce enormously the cost of construction. Many of the American roads were built during the period of depreciated currency and inflated prices following the civil war. Not only iron and steel, but lumber and labor, cost largely in excess of the prices now paid. On account of the great loss of life in the battles of the Rebellion, there was for several years an inadequate supply of labor to repair the waste of the war and to carry on our greatly stimulated industries. Building roads at that time was attended with an expense wholly out of proportion to the value of the improvement. In this respect the building of railways was not exceptional; all other permanent improvements were made under the same conditions of disadvantage; but the manufacturers and the mill owners, who built thirty years ago, do not now expect to pay dividends on the cost of their plants at that time. Should one of these factories

be destroyed by fire, for the purpose of determining the amount of indemnity the owner would be entitled to receive, if insured, the maximum measure of damage would be the cost to rebuild. In fixing the value of a railroad for government purchase, this rule would not always hold good, as by reason of favorable location some properties should be estimated higher than others, which cost the same,—that is, their commercial value should be considered. Their dividend earning capacity would in most cases be the best test of value, but in no event should there be a recurrence to the original cost, with the incidental boodling and fraud. The watered stock, too, must be left out.

ENGLAND'S EXPERIENCE

In England experience has shown that third class traveling has been more profitable to the railways than have first and second class. An analysis of the business of the North Western Railway of England, some years ago, showed the operating expenses of its first class passenger traffic amounted to ninety-seven percent of its receipts for that class, and that to carry second class it had cost the company about four and one-half per cent more than it

had been paid for the service, while the cost of carrying third class passengers had been only forty-one per cent of the gross receipts. That year the road carried 51,500,000 persons, third class, at an average of eleven and one-third pence, realizing a net profit of six pence on each fare.

This result is explained chiefly by the fact that the first and second class passengers were carried in cars only partly filled, and that the expense of hauling the dead weight encumbered the road with charges in excess of the fares received. The first class cars, besides being heavier, have an accommodation for only a small number of persons. Pullman cars, weighing many tons, carries, it is shown, only an average of about nine and a half persons each; the English cars, with lavatory and other special luxurious accommodations, average about twenty-two persons each. The added comfort and exclusiveness are secured at a large cost, and the railway should of course be paid for this extra style and luxury by those for whose especial benefit it has been provided; however this may be, it is seen that the additional charge paid is not remunerative, and that the railway must look to its third class travel to pay expenses and dividends. Notwith-

standing the uncomfortable accommodations offered the third class passengers in England, a very large proportion of the public travel that way.

In 1891 the total number of fares paid on five leading lines were 845,463,668, and of these 751,661,495 were third class, the number of the last named class being seven and one-half times as many as the total number of first and second class combined. Sir George Findlay, in his "Working and Management of English Railways," says that "to realize £100 on first class passengers, it costs the London & Northwestern £92, but from the third class only £42; the Great Northern, first class, £94, third class, £53; London, Brighton & South Coast, first class, £76, third class, £30."

Mr. Hole, in his "National Railways," says: "If season and return tickets were granted to the third class on just and easy terms, their enormous preponderance over the other classes would be largely increased."

And again, in speaking of the Great Eastern Railway's charges for special workmen's trains, he says: "As 12,000 workmen's return tickets are issued per day, this represents 24,000 passengers, besides 5,830 half fare return tickets, equal to 11,650

passengers, to all which must be added, for all trains in their suburban districts, 19,400 penny tickets and 9,500 two penny tickets. As Mr. Birt, in giving evidence on one of the company's bills, in 1890, said, 'no company has carried out the half fare principle in the thorough-going way that we have. It has been a necessity with us to do it in order to build up a population in the suburbs which we serve.' The Great Eastern Railway carry upwards of 6,000,000 workmen a year, and they only pay a penny for ten miles, between Enfield and London, thus having the advantage of keeping their families in the country and going backwards and forwards themselves at cheap rates."

CERTAIN AMERICAN ROADS

In New York and Chicago all elevated roads charge the same fare for a short distance that they do for the entire length of the road. Two of these roads are from seven to ten miles in length, and two others about six and one-half miles in length. While the fare charged over the entire line of each road is only five cents, it is believed that a lower rate would develop a larger traffic without diminishing profits.

The oldest and most important of these roads is the Manhattan of New York. Its entire line in 1893 was about thirty-six miles, and it carried passengers that year to the number of 221,407,197, for which it received \$11,070,360. Besides, there were miscellaneous receipts amounting to \$140,000. The operating expenses, including taxes, were \$6,220,509, leaving a net available revenue of \$5,005,851, which it will be seen is a little more than 16½ per cent on capital stock of \$30,000,000. On account of the general paralysis of business during the last three years, the traffic and profits shown have been less. The year 1893 is selected for exemplification because the business conditions at that time were normal, but have since been more or less affected by unusual financial conditions.

The elevated roads in Chicago have been too recently constructed to offer any reliable data for a computation of this kind.

EUROPEAN EXPERIENCE

In Germany, the government ownership or control of railways reaches back nearly sixty years. Some lines were purchased and others built by the government. At this time ninety per cent of all

the railways are owned or controlled by the state, and if there is one thing that the German people are better satisfied with than another, it is their system of transportation. In Germany the minimum fare has not yet been found, for the reason that the railways are operated as much for revenue as for the convenience of the public. The purchase and construction of the German railways represent a charge to the government of about \$2,550,000,000. Sir Bernard Samuelson sums up the benefits secured to the public as follows: "Decided economy in the cost of working the traffic, greater uniformity of rates and increased accommodation to the public."

The government issued 4 per cent consols to the owners of the roads purchased. These were based on a valuation as shown by the net income of the roads, taking an average of the preceding twenty-five years. The net earnings of the properties being about 5 per cent, shows a profit of 1 per cent on the investment. The management of the German railways is free from all political interference, being in the hands of a board, which comprises the best experience and the best skill that can be found to accept this important service. This board, on which chiefly rests the responsibility of operating the

roads, advises with provincial boards in regard to all matters of a purely local character. While in running its trains the German government has regard to the comfort and convenience of the public, the item of revenue is not overlooked. In 1893-1894 the net profits resulting from the operating of the German roads amounted to \$137,553,500. This must be regarded as exceptional success, when we reflect that the government roads of Germany at that time were less than one-eighth of the railway lines in the United States.

In 1891 the following European states had an ownership in railways which were being operated in a qualified sense to compete with private lines, thus affording the public an opportunity to judge as to the comparative advantage offered by the two different systems:

Countries.	State lines.	Private lines.
	Miles.	Miles.
Austria	3,163	6,343
Belgium	2,018	792
Denmark	880	90
France	1,570	21,341
Germany	22,059	3,311
Holland	927	788
Hungary	2,749	4,002
Italy	4,927	2,690

	State lines. Miles.	Private lines Miles.
Norway.....	928	42
Russia.....	5,309	12,750
Sweden.....	1,623	3,276

With the single exception of Italy, there is a consensus of opinion in favor of the state roads.

THE RAILWAY IN ITALY

The Italian railways are subject to so many special conditions that it will be impracticable to treat of them under the ordinary rules regulating this class of business. There is everywhere a want of unity, which is all important in transportation. Several of the lines were constructed before the union of the Italian states, in 1859-1860, and in each case local interests and conveniences were consulted, and when after the union connections became desirable, it was found impossible, without the construction of additional lines, to obtain direct routes to facilitate commerce between important points. Personal interests and political influence have had much to do with the locating and building of the Italian roads. Mr. Dering, in his "Reports on Subjects of General and Commercial Interests in Italy," March, 1891,

says, concerning the railways of that country: "Most of these new lines having been run through districts where no trade exists and where all traffic is slight, with the idea of resuscitating commercial and industrial activity in them by the mere appearance of the steam engine, has led to the waste of much capital in premature speculation, which has proved hostile to the general economic conditions of the country."

Mr. James Hole, in his work on "National Railways," quotes from a Roman correspondent of the *Times*, under date of April 16, 1892. That writer says:

"The mere financial aspect of this investment as loss is trivial as compared with the corruption it opened the way to in the management of affairs and the demoralization of the constituencies by the introduction of a system which readily lent itself to private ends. This system supplied the means of corrupting whole electoral colleges by the construction of roads for local purposes to the general loss, and degenerated into a plan, to use the expression of a ministerial journal, *Fanfulla*, to place a station before every man's door, with the result of increasing enormously the mileage with little relation to

the utility, and in some cases only for the advantage of private estates. * * * Jobbery never had a better field of operation than this, for nineteen railways ordered by the law of 1879 actually cost exceeding the estimates by £200,000,000, and the laws from that date to 1885 authorized 3,060 kilometres more, and when we consider that not a single system of railways in Italy pays the interest on the cost, after meeting working expenses, while some do not even pay the working expenses, we can estimate the folly of the railway system as a whole and the extravagance of adding new lines, which being less needed still will increase the deficit out of proportion."

The judgment of the Italian people in a matter of this character would generally be unsafe to follow. The social and business habits and the conditions of trade are so exceptional in that country as to afford no standards of judgment for other people. However much may be said for Italian culture and art, they are unmistakably wanting in the successful elements of business character. No people with such traditions, experience and climate have ever excelled in economics. They may have a literature and art; they may have heroes and even statesmen,

but they will never show such pronounced aptitudes for business and finances as to enable them to manage their social and industrial activities successfully. We should look elsewhere than to Italy for our lessons in political and social economy.

In Switzerland the National Council, by a large majority, has just (1897) passed a bill authorizing the expenditure of about \$200,000,000 for the purchase of five of the principal railroads of that country.

GOVERNMENT OWNERSHIP IS DESIRABLE IN THE UNITED STATES

The purchase of the railways of the United States by the government is not a matter that should startle the conservative business man. The value of these railway properties is of course very large, and if all were purchased at one time it is probable that the public credit would be strained and financial conditions seriously disturbed. Such action would be as unnecessary as it would be unwise. Violent changes in a matter of so much importance, affecting the business interests of the country, should be avoided. There would be nothing in the situation to compel haste or to prevent deliberation.

The government can propose to buy and operate one of the great railways. In doing this, the best skill and judgment of the nation will be called forth and made available to aid those whose duty it will be to devise the most practicable means of payment and the best plan of operating the road. The American people of all classes are accustomed to think; they are fertile of both invention and criticism. No important proposition is ever submitted for consideration that is not carefully examined and thoughtfully discussed. Out of this mass of practical sense is generally evolved the highest wisdom. American statesmanship is the composite wit and cleverness of the American people; no important measure has the final sanction of legislation until it has first been examined, tested and approved by the people, the press and congress. The people are practical and aggressive, the press is critical and congress is conservative. That which is best in the form and purpose of the law will nearly always be found in its final expression.

HOW THE RAILWAYS MIGHT BE TRANSFERRED TO THE GOVERNMENT

We will suppose that the first railway system purchased was for \$200,000,000, and that in pay-

ment treasury coupon notes were issued, of both small and large denominations, drawing interest at two and one-half per cent, and redeemable in twenty and forty years. These notes we can believe would be quickly absorbed, and it is not improbable that they would soon represent an important part of the savings of the working classes. As the ownership would change with the delivery, such notes would become the convenient means of exchange, and take the place of currency in many important transactions. With the increased demand for securities of this character, other lines of railway could be brought under government ownership. With the development of our national wealth and the increase of population, it is fair to assume that a large amount of these treasury notes would be called for. Should it be otherwise, there could be temporary or even permanent suspension of government purchases. With the growth of population and the growth of production, it is reasonable to suppose that the business of transportation would increase from year to year, causing our railways to become so profitable as to pay the interest on the treasury notes and provide a sinking fund for their redemption.

Thus, in time the state would own these vast properties without investing anything but its credit; in other words, *the railways would pay for themselves*. But suppose a much longer time was required to cancel these notes; what matter? It would be only a consideration of extended credit. *No burdens would be imposed, taxation would not be increased.*

THE FUTURE AND ITS POSSIBILITIES

Looking forward a half century, we will find fifty or sixty millions of people added to our population, and our domestic commerce increased more than one-half. The traffic of railroads will become enormous; lines that are now struggling to pay expenses under ruinous competition will then have large dividend paying powers.

We have the opportunity of securing to our children an inestimable benefit, and failing to appreciate the situation and to act we shall be properly charged with the responsibility of the dereliction. Parents live for their children. We who now live owe a debt of gratitude to the past, which we must pay to the future. There is resting upon us a moral obligation to plan and execute in reference to the well being of those who are to "follow

in the furrows we have tilled." We may take the transportation of this great country out of hands which have not the power to manage it for the best interests of either the railroads or the public; we may relieve it from the distractions that arise from conflicting views and conflicting interests; we may secure to the future the benefits of a higher service and a lower charge for transportation. This signifies not only a decent, orderly and systematic organization of a great national industry, but it also signifies the improved conditions and the increased happiness of millions of American citizens. Cheaper fares will stimulate travel. That means a higher education, broader views and a better citizenship. From going abroad to visit remote friends, to enjoy new scenes or to find benefit in milder or more stimulating climates, there is often pleasure, culture and improved health. These advantages the poor are denied on account of expense. Millions are born and pass through lives of unremitting toil and a dwarfed and stunted old age, within a few days ride of broad lakes and magnificent mountain ranges, without seeing the grandeur or feeling the inspiration of either. Such lives are destitute of joy and without growth; existence is subsistence, with nothing

added. The rich may flee from northern blizzards in winter to the sunny south, and in the spring time come back again to their cool summer retreats; but the poor must remain to endure both the pinching frost and the blistering heat.

This inequality of condition, it is admitted, cannot be wholly removed, but something may be done to improve the situation in respect to the future. Let us look forward to the time when the government shall own the railways. All the bonds, consols or treasury notes given in exchange for these properties have been canceled from the profits derived in their operation. There will no longer be any charge to reimburse capital, and the cost of transportation will be the cost of repairs and the equipment and running of trains. When that has been accomplished, as it will be some time, the fare from Lake Superior to the Gulf of Mexico may be reduced to three or five dollars. The poor man will then find his opportunity for travel, and share in the pleasures and other benefits which it affords.

AMERICAN AND EUROPEAN CONDITIONS NOT ESSENTIALLY DIFFERENT

As we have already shown, it has been well demonstrated in Europe that government owner-

ship and governmental control of railways have secured the most satisfactory results; but it may be claimed that the conditions there are so far different from what they are in the United States as to render a like success improbable. It is true that society in Europe is older than in America, that population is more dense, that the ways of commerce have crystallized more perfectly into permanent forms. It is also true that the railway mileage there is much less than here, but it is not apparent in what manner the forms of society or the methods of business require the application of essentially different economic principles in the management of railways. The only questions to be considered there and elsewhere are those that refer to construction, management and finance, and the same general rules will govern in one case as in another. The proposition to buy 182,000 miles of railway is one of such magnitude as likely to startle the conservative citizen. The spirit and courage of American enterprise, however, is seldom dismayed; it has a "sublime audacity of faith," that ventures upon all possible undertakings. "Be thou removed, it to the mountain saith," and straightway with diamond drills and dynamite the mandate is enforced.

When America has given attention to this problem long enough to understand its true significance in relation to its future prosperity, there will be consummated a deal in railroad properties that will astonish the world.

COMPETITION IS TO THE INJURY OF THE POOR

Under any competitive system, the rich will have an advantage of the poor, for the reason that their trade, being larger, is more desirable, and will be competed for. A person shipping ten thousand cars a year will control a patronage of greater value to the railway than the shipper of ten cars for the same period,—and hence there will always exist an incentive for the railway to bid for the business of important dealers, manufacturers and others, whose traffic will contribute to bring large items of freight to their lines. The fault is in the system and not in the railway manager. There are many reasons why a large business can be done at a less per cent of cost than a small one. The number of separate transactions is less, each of which occasions some trouble, calls for attention and consumes time.

Mr. Albert J. Stickney discusses this aspect of the question in his "Railway Problems." We quote :

"A railway manager finds it more convenient to deal with one man or one corporation than to deal with a number of individuals. The manager therefore commences operations by giving to some enterprising party an advantage over his neighbor in rates. The favored individual of course soon obtains a complete monopoly in his particular trade. It may be the product of mines or of oil wells, of farming or of factories. After a time the grantees of these monopolies become rich, and instead of receiving rebates as a favor, they become masters of the railways, and by playing one against another they practically direct the rates they pay. Thus it has happened that in some kinds of business, the oil business for instance, a single concern, the Standard Oil Company, after having received from the railroads \$10,000,000 in the short space of eighteen months, has gained an absolute monopoly."

SINUOUS OPERATIONS

Mr. Henry D. Lloyd, in his book, "Wealth Against Commonwealth," has reviewed in a thorough and painstaking manner the mysterious operations of this great oil combination. In support of his statements, Mr. Lloyd refers to evidence taken

by the Inter-State Commerce Commission, Congressional Committees, and to other original sources of information of unquestioned reliability. The history of this oil company as written by Mr. Lloyd reads like a tale of wonder. We turn from the Arabian Nights stories with unabated interest to read of the wizard, whose unseen hand has created fortunes in a day, whose persuasive voice has made the officers of government and of powerful railroads his suppliant vassals.

We find in these occurrences, which have continued through many years, an object lesson of great value, referring to the question of the government ownership of railroads. The oil company mentioned was able, through its contract with the persons who managed the railroads, to procure such unjust discrimination in rates of transportation as to enormously increase its own profits and to ruin its competitors. The many devious methods resorted to in aiding the oil combination, at the expense of other shippers, will stir the indignation of every fair-minded person who has knowledge of these high handed transactions. It may be said that the things done of which complaint is made were an abuse of power on the part of the railroad

officers. So it was, and the railroads undoubtedly, as well as the shippers, were losers by such abuses; but this fact in no way relieves the situation. There will always be found persons who will do wrong for a sufficient consideration, if an opportunity is offered. For nearly a quarter of a century, the Pennsylvania oil combination has controlled certain prominent railways, to the injury of many persons, to the loss of the railways concerned, to the loss of the general public on account of the restraints put upon trade and the monopolistic prices which it has been compelled to pay for oil.

That such things are possible under a free and enlightened government is a most unwelcome proposition, one that may well cause apprehension in regard to the future of our country. It does not mitigate the wrong done to the hundreds of competing oil dealers in Pennsylvania, to the laws that have been wantonly violated, and to the sentiments of justice and fair dealing which have been outraged, that the chief beneficiary now gives freely of the money thus obtained for the promotion of education and religion. One may perhaps relieve his conscience by becoming the patron of the church and the schools, but he can never by such means

repair the loss he has occasioned to others, nor can he thus compensate for the long debauchery of business and official honor.

The capital of the Standard Oil Company is \$100,000,000, and the dividends paid to its share owners in 1897 amounted to \$33,000,000. Besides this vast sum distributed in dividends, it is believed that a large additional sum was earned and held to increase the company's reserve, or has been disbursed to extend its business.

Mr. Chauncey Depew, president of the New York Central Railroad Company, referring to a class of large shippers, like those engaged in the grain and packing-house trade, says : "They parcel out the United States among themselves, and they send their products by any railroad they see fit. To-day they send it over the New York Central, to-morrow they arbitrarily change it to the Pennsylvania road. One of these privileged dealers, for instance, is able to send five or ten cars of first class goods per day from Chicago to New York. The regular rate is 75 cents a hundred, but in order to get his trade the railways offer him a rate of 35 or 40 cents."

Mr. Cowles, in commenting on this statement of Mr. Depew's, enters into the following computa-

tion: "Taking a car load of first class freight at 10 tons, this great firm, at a rate of 35 cents, receives an advantage over its competitors of \$80 per car, from \$400 to \$800 per day, and from \$125,200 to \$250,400 for the working year."

THE RAILROADS WITHOUT A REMEDY

These facts are referred to chiefly for the purpose of illustrating the abuses and complications which result from conditions that are inevitable, while transportation is in the hands of private corporations; and the case would not be different if these railways were owned by natural persons instead of corporate bodies. The corporation is an aggregation of individuals, who have combined their capital to build railroads, or for other lawful purposes of utility or gain. These persons, thus incorporated, are no better nor worse than others who have capital to invest with the expectation of profit.

It is clearly unjust to condemn the railroad manager or the shipper for doing that which all must do, to make their business a success. They are all acting under a necessity which is forced upon them. Between Chicago and the east there are many different lines of transportation. Suppose a part of

these lines competes for desirable business, and another part does not—who will get the traffic? And without this class of business, what will there be left to pay expenses and dividends?

With the shipper the conditions are practically the same. They all buy in the cheapest market and sell in the dearest; they compete in both buying and selling, and if a part is able to ship on a lower tariff, the other part loses on its ventures. The contest between the railroads and the contest between shippers, and the contest between shipper and railroad do not generally signify so much a desire for dominion as it does a struggle for survival

PERSONS ARE IRRESPONSIBLE WHEN ACTING UNDER THE NECESSITY OF CONDITIONS

Both these classes of men, it would seem, have been subjected to a good deal of unmerited abuse. It is only fair that we should consider the difficult circumstances in which they are placed. They have no more personal responsibility for conditions which they have found, than we all have, which vex and perplex the wisest and the justest of men.

It is charged that railroad managers and the great shippers are selfish. Of course, so are we all, and so will the generations be that follow us, as all those have been that preceded us, and if we wait for reformation in those things until the instinct of self-preservation is lost, we shall make slow progress. The consummation hoped for shall be reached only when the last trumpet has sounded for the gathering of the nations. There is only one way to solve this problem — government ownership of the railways.

GOVERNMENT OWNERSHIP A NECESSITY

Government ownership and control are advocated, first, because we believe that in the development of the country, the growth of the transportation business will so increase that in a comparatively short time the railways will repay the investment made, after which they may be operated at cost for the benefit of the public.

Second, that government ownership is the only practical way of unifying this immense business and regulating the disastrous and unjust competition now existing. We do not recommend that these great private properties become public prop-

erty, for the reason that we have a larger measure of confidence in the public officials than we have in the railroad officials. Both are, as a rule, entitled to our respect and esteem. In each case they are select men and seldom abuse their powers. The great mass of business men are much better than they are represented. Officers of the government and railroad managers are charged with exceptional responsibilities, and frequently are entrusted with almost fabulous sums of money, and yet it is rare that any loss has occurred from fraud or neglect of duty. Notwithstanding the vigilance with which they are watched by a sleepless and Argus-eyed press and an interested directory, scandals very seldom occur. We expend in the United States every year about \$175,000,000 for our public schools, and seldom has one of our officials been charged with misappropriation, or with any serious dereliction of duty.

The cost of managing our postal service is annually about \$87,000,000, every dollar of which for many years has been disbursed honestly and almost without criticism. With the safe-guards which protect the public funds and the very strict conditions under which official duties are performed, we

have but little to fear in the public service. Billions of dollars have been collected and disbursed by our general government, without loss to the people of a six pence.

GOVERNMENT OFFICIALS BETTER THAN REPRESENTED

It is to be regretted that the partisan press cannot find a better way to serve their patrons than to persistently malign those whom the people have selected to perform the duties of the state. What is done in this relation to advance party interests has the effect to weaken public confidence in all who are charged with the performance of official duties. With the loss of trust and respect which follows and extends to all persons, both in and out of office, the ardor of our patriotism is cooled, and thus the units of our government fall apart. It is not only right, but a duty of patriotism, to properly characterize the evil doer, but distinctions should be carefully made, and honor accorded to whom honor is due. When the people lose faith in all public men, the cohesive principle is gone which alone makes possible a government of the people, by the people. These are facts which it would be well for those to

consider who are directing public opinion. Confidence is of the highest importance in both public and private life; without it all effort will be embarrassed and weakened in execution. Milton wrote that "Confidence is an inspiration of great power. It bears us on in security, either to meet no danger or to find matter of glorious trial." Unbelief in the integrity of others is often caused less by insight than by temperament.

THE AVERAGE PERSON WORTHY OF CONFIDENCE

For nearly half a century the writer has been brought into almost daily contact with his fellows concerning business transactions, and this long experience justifies the opinion that a large majority of men are at heart honest; that aberrations in morals result most frequently from aberrations of the mind; that when the action of the mind is normal and healthy, the sense of justice will dominate all other considerations. Nineteen men out of every twenty are a law unto themselves; they will do right not because they are compelled to by the terms and penalties of the statute, but for the reason that they prefer the right to the wrong. This

immensely preponderating moral force has been built up by slow accretions during the progress of the ages, out of which our civilization has come. Part of it has come from the experience and efforts of one generation, and part of it from another.

In the infancy of the race there were exceptional persons, of upright natures, in whose souls were lodged the inspirations of divinity. The number of these persons has increased from age to age; they have appeared as prophets, seers, philosophers, statesmen and even warriors. Their just lives, their words of wisdom and their heroic deeds have influenced, determined and crystallized character into forms of enduring strength.

On this solid foundation, in which are blood, tears and infinite suffering, our hopes of the future rest secure. There will be no turning backward into the darkness, nothing will fail that ought to succeed. In the concrete wisdom and virtue of the age there exists an active, stimulating force that will lift us up and carry us forward to higher and better planes of advantage. Man is not degenerate; on the contrary, he is progressive. He loves the truth, not falsehood, and is ever diligent in finding it out. Most persons will find it difficult to restrain expres-

sions of their righteous indignation in the presence of a wrong. All the machinery of society, all the agencies of the law are constantly and energetically employed to suppress vice and promote virtue. Cheap and vicious persons go forth with proclamation; their noisy demonstrations demand attention. Virtue is modest; it asks no recognition and its presence is often unsuspected. Carlyle says, "Virtue, like a plant, will not grow unless its roots be hidden."

In the management of the railroad business of the United States, there are engaged several men of incorruptible integrity and distinguished talent. Should the government assume control of these roads, it could call to its aid such persons as James J. Hill, Marvin Hughitt, Chauncey Depew, and others of eminent ability, either one of whom would be found masters of the situation; and with their great executive ability and trained judgment would organize a system of transportation that, in its operation, would have the unity, precision and order of natural laws. The objection, sometimes made, is without force, that the management of these stupendous interests cannot rest in a single person. With a man like Mr. Hill, whose mind

has such quality of greatness as finds dominion in the minds of others, his thoughts become their thoughts, and straightway the agencies at his control are multiplied indefinitely.

POLITICIANS OFTEN BETTER THAN THEY APPEAR

We are told that the control of the railroads cannot prudently be placed in the hands of politicians. George Washington was a politician, so were Thomas Jefferson, the Adamses, Jackson, Lincoln and many others, whose memories we all revere. Every American citizen should be a politician to the extent of voting and discussing all questions of public policy. Not to be a politician imports that he is derelict of his duty as a citizen; that he is trying to avoid obligations which his relations to the government impose.

There is no deliberate body of men on the face of the earth that is more eminent for its personal ability and character than is the congress of the United States. Out of the great mass of the American people, the members are chosen on account of their integrity, judgment and exceptional talent for statescraft. To congress for more than a cen-

ture have been entrusted our important affairs of war and peace. Chosen as congress is, from every section of the country, it will of course represent all shades of public opinion, and there will be party and local interests pressed for recognition in its enactment of laws. This recognition will be seldom given, unless after careful examination it is found to be consistent with a wise public policy. The members of both houses are the picked men of all the states, and as the different parties will usually have a greater relative strength in the different states, there will most frequently be found an active minority on all questions of importance. This minority will be heard by the country in regard to abuses and errors of public policy. Besides the substratum of honesty and patriotism which can always be relied upon, the great parties are seeking to secure or maintain supremacy. This can only be done by *intelligently and honestly* considering and promoting the best interest of the whole country.

In the enlargement of the agencies of government to embrace the control of the railroads, we need not wait for the moral perfection of the race. There has always been an admixture of vice in public as well as private life; bad men are found sometimes

in places of honor and trust. When this occurs, which is not a very important incident, greater watchfulness is required and loss may result; but this is no new thing, nor is it any reason why civil government should be abandoned, or why it should cease to collect the revenues, because some small part by fraud and malfeasance is diverted to the personal uses of those whose duty it is to collect and disburse for the public good. No greater opportunities will be afforded for speculation in this branch of the civil service than in any other. The pretense that the government will suffer wholesale robbery by the politicians is a bugbear. Germany has owned railroads for a long time, and we hear no complaints of mismanagement and plunder by unscrupulous officeholders. A code of regulation can be formed by the government for all persons in the department of transportation, from porter to manager, and severe penalties provided for misfeasance and malfeasance in the performance of any duty.

THE GREAT HEART OF THE WORLD RE- JECTS INJUSTICE AND WRONG

When we look beneath the unstable and illusory facts of life, we find that society as it exists to day

is based chiefly on the principles of the New Testament. Man acting alone or associated with others is continually striving for the good of all. To this end millions are fed and sheltered, hospitals and reformatories are built, and in many ways vast sums are contributed every year to relieve the suffering and promote the comfort of those who are wholly unknown to the contributors. The only relationship existing between these classes is frequently no more than that which arises from a common humanity; yet it is no unusual experience for one to give his earnings and his economies to relieve the wants and hardships of another. We may congratulate ourselves that it is only the exceptional persons who remain unmoved while witnessing the sufferings of their fellows.

Some years ago a poor German immigrant died in a second class car of the Chicago and Northwestern Railway, near a small village in Wisconsin. His only companion was a little daughter about four years old. The writer chanced to be at the station when the body was removed from the train. There were present perhaps twenty persons, to witness the pitiful grief of the little waif in a strange land, with her only friend wrapped in the fearful silence of

death — a fact which she, only a babe, seemed to fully understand. The child was poorly clad and unclean, yet all hearts were open to her and kind hands led her away to a comfortable home. It chanced to be on Christmas eve that this occurred, and there will be little risk in saying that few children in Wisconsin received so many gifts on that anniversary as did the little stranger whom an unkind fate had unexpectedly left within its doors.

While the circumstances of this case were so exceptional as to appeal strongly to the tender instincts of our nature, it still shows the rule that governs human conduct, when the necessity for action is clearly revealed. When there is indifference in regard to the misfortunes of others, it will generally be found that there is some doubt and obscurity concerning the fact, or a feeling perhaps that the suffering is merited and is likely to work out for the sufferer reformatory and beneficial results. Sympathy is not a flower that blooms in hard and sterile soils. When tears of sympathy moisten the eye, there is a heart lower down that is responsive to the call of distress.

Mr. Henry D. Lloyd, in "Wealth against Commonwealth," page 505, says: "Good is the ability

of men to lead the life together. The more perfect monopoly makes itself, the more does it bring into strong lights the greatest fact of our industry, of far more permanent value than the greed which has for the moment made itself the cynosure of all eyes. It makes this fair world more fair to consider the loyalties, intelligences, docilities of the multitudes who are guarding, developing, operating with the faithfulness of brothers and the clean interest of owners properties and industries, in which brotherhood is not known and their title is not more than a tenancy at will. One of the largest stones in the arch of 'consolidation,' perhaps the keystone, is that men have become so intelligent, so responsive and responsible, so co-operative that they can be entrusted in great masses with the care of vast properties owned entirely by others, and with the operation of complicated processes, although but a slender cost of subsistence is awarded them out of fabulous profits. The spectacle of the million and more employes of the railroads of this country despatching trains, maintaining tracks, collecting fares and freights, and turning over hundreds of millions of net profits to the owners, not one in a thousand of whom would know how to do the sim-

plest of these things for himself, is possible only where civilization has reached a high average of morals and culture."

THE TELEGRAPH, TELEPHONE AND POST-OFFICE

Telegraphing is a service which should be performed by the public for the public. There is no argument in favor of making the government a carrier of the mails that will not apply with equal force to its ownership and management of the telegraph and telephone. With the present rates of postage, the cost of our mail service is in excess of that department's receipts; but shall it be abandoned for that reason to private carriers, who would certainly charge higher rates and render a poorer service? The writer recalls the period of twenty-five cent postage. The reduction from time to time has been for the benefit of all classes. Out of the large increase of correspondence and the larger transmission of printed matter, commerce has been stimulated and there has come a better culture, a broader intelligence and a better civilization. The deficit of a few millions in the postal department is compensated for a hundred times in the material, social and intellectual growth of the people.

GOVERNMENT SHOULD SERVE THE CITIZEN IN ALL PRACTICABLE WAYS

This fact is so well understood that no one would venture the proposition to advance the rates of postage, or to place the mail service in private hands. Governments are organized to conserve the interests of society by their concrete wisdom and power, and they may properly be charged with the performance of every duty of a strictly public character, such as transportation, telegraphing, carrying the mails, promoting education, lighting cities, supplying water and even coal. The post-office department and the express companies will pay the railroads this year not far from \$60,000,000. If the parcel business was transferred to the post, the occupation of the express office would be gone, and with governmental control of the railroads the mail department could be conducted, without loss, even at still lower rates of postage.

THE POST-OFFICE DEFICIT

If the post-office department shows a deficit, it should be remembered that it is charged with the performance of very large gratuitous duties. The letters and vast quantities of printed matter pertain-

ing to every department of the general government are carried free. This amounts to thousands of tons annually. The post-office is clearly entitled to have credit for the cost of this service. Should the government pay postage at the usual rate for the transmission of correspondence and public documents, the deficit in the post-office department would be largely reduced. The merchant who takes from his store provisions, clothing and other supplies, for the use of his family, credits his business with this depletion of stock, when directing his computations to determine whether his trade venture has resulted in loss or gain.

It may not be important that there should be an account between the several departments of the government, but when, as in the case of the post-office, it is claimed not to be self-supporting and therefore not to be trusted with additional responsibilities, it is proper that we should consider the enormous gratuitous duties it is required to perform for the benefit of other departments. Country papers, too, when circulated within the county of their publication, are carried free in the mails. This is an item of expense to the post-office of very large proportions, and the compensating advantages belong

wholly to county publishers and their patrons. These are doubtless sufficient to justify the immunity. However that may be, the postal department is charged with additional disbursements, amounting to millions of dollars. There are local conveniences, a better average of intelligence, which enlarge the character of citizenship and give to town and county government their best forms and highest usefulness. Nowhere else is government so important, nowhere else does it so directly affect the interests and the happiness of the citizen. It is a matter for congratulation that this service can be and is rendered in a manner of so much usefulness to society; but it should be kept in mind that the postal department is in no way reimbursed for its expenditures.

Mr. F. Tennyson Neely, acting as chairman of a committee of New York publishers, in reference to proposed obnoxious congressional legislation, prints in "The Fourth Estate" some important facts, explaining why the post-office department has not been fully self supporting, and we find again that the government is the victim of the "over-reaching" private management of the railways. Mr. Neely said: "For a considerable time I have

made a careful study of the post-office regulations, with a view, if possible, to devise some means by which the department might be protected against the present abuses which are so universally condemned, and thereby render assistance in the direction aimed at by Mr. Loud's bill, viz., a reduction of expenses."

Then, after referring to several matters needing reform, he adds: "It has been openly charged in the press that during the period of time when the post-office department calculates the weight of mail being carried by the various railroads, free matter has been sent along the line, burdening the mails with enormous quantities of matter, and that thousands of tons of second class matter have been transported from one end of a road to another repeatedly, back and forth, for the purpose of securing a high price for the four years' contract which is usually awarded."

There is something else besides the rascality here referred to by Mr. Neely, which fully explains the deficit of about \$11,000,000 in the post-office business last year. The report of the Postmaster General for 1897 discloses that the department paid the railroads in round numbers \$29,000,000 for the trans-

portation of 365,000,000 pounds of second class mail. This is at the rate of more than six cents a pound, and easily five times more than would be a fair compensation for the service. A large part of this printed matter, chiefly newspapers, advertising pamphlets and magazines, is carried only a short distance; a very small proportion of the newspapers printed seldom goes more than three hundred miles from the office of publication, and the express companies are competing for this traffic at a compensation of less than one cent a pound for distances within five hundred miles. On this item alone there would have been a saving to the government last year of at least \$20,000,000, if it had owned the railroads. It is not necessary, in order to make the post-office self-supporting, that rates should be advanced on even second class matter. A better way to reinforce the postal service is to strangle the combine that is extorting exorbitant rates for transportation.

GOVERNMENT OWNERSHIP OF THE TELEGRAPH

The success of governmental management of the telegraph is no longer a matter of speculation or experiment. The problem of its practicability has

been solved in England and in Europe. Mr. Hole, in his "National Railways," says: "The wonderful progress of our telegraphs would never have been attained if they had remained the property of private companies, and they furnish a parallel argument to the railway question. Unity of management in the hands of the state has demonstrated its benefits. Private companies seldom risk expenditures that may possibly prove unprofitable, and they are niggardly over even that which is necessary. Hundreds of places where telegraphic communication—and the same remarks apply to parcel delivery—is not remunerative, would in the hands of the companies now be without these advantages. The state-owned railways can afford to risk experiments, and even incur loss, as did the Belgian state railways, but as the minister of public works stated in 1866, that deficiency speedily disappeared and the lines have become a source of revenue. When the telegraphs were owned by companies, few extensions were made and development was checked. There was the usual talk about the superiority of private enterprise. The post-office was once a private enterprise, and as Sir Edward Chadwick said, 'If it was conducted in some hundred independent

districts by trading companies, as private monopolies, for sake of a trading profit, as communication by rail is now, we should hear the like platitudes about the excellence of private enterprise.'

"When the telegraph was taken by the state a uniform tariff was established, development commenced, and has become more extended ever since, to the immense improvement of the newspaper press and the convenience of the public."

Mr. Hammond Chubb, discussing the experience in England concerning the management of the telegraph, says:

"The fact now stands that on an expenditure of £10,000,000 sterling (including £2,000,000 for extension), and debiting the amount from 1870 to 1891 with £6,405,721 for interest, there is a deficit of only £4,000,000. On a national service like this, however, no interest should be charged, any more than upon our army and navy expenditures, and in such case there would be a surplus of nearly £2,500,000. No interest is charged upon the outlay for a new post office, however great."

In France, the telegraph has been transferred to the state, and the cost of messages between Paris and Brussels is only about one-half that previously

charged by the private company. In Switzerland, Germany, Norway and Sweden there is government ownership of telegraphs and telephones, and in each of these states there is a better service, while fares have been so much reduced that these rapid and convenient methods of communication are in common use by all classes. Throughout the confederation the annual rental of the telephone is sixty-four shillings.

THE PUBLIC SUPPORT OF SCHOOLS

It is within the recollection of middle-aged persons that all the schools of this country were supported by private subscription, and the proposition urged by those who appreciated the importance of a better system, that the schools should be free to all and maintained by taxation, brought forth much opposition from conservative persons. It was objected that for the state to "keep school" would be a departure in the matter of paternalism for which there could be no justification; that parents were charged with the education of their children, and that the state had no duty to perform in that respect. There were others who knew better, those who were wise enough to understand that

free public schools would be the best remedy for illiteracy, and the surest foundation for the state. The contest ended in favor of the right, as it always will when discussion is unrestricted and any important interest of humanity is at stake.

There is now expended for the support of the elementary public schools alone in the United States \$175,000,000 annually. Add to this the cost of our magnificent school buildings and public libraries, and the sum becomes colossal. After an experience of something more than a half century we are content, and would not for any consideration return to the old methods of the "tallow candle" days. The times now are never so hard, business is never so depressed that Americans will not cheerfully vote odd millions for the benefit of their common schools. There is nothing that so well obliterates the odious lines of distinction between classes; there is nothing that so much dignifies man and womanhood, and gives value to citizenship, as education. The "little school house" by the road side, "where the blackberry vines are running," the real nursery of mind and heart, and the solid foundation of free government, was once persistently opposed on account of its paternal

character. Verily "the stone which the builders rejected has become the head of the corner."

EXTEND POSTAL SERVICE TO INCLUDE TELEGRAPH, TELEPHONE, AND CARRI- AGE OF PARCELS

The telegraph, telephone and express business all belong properly to the department of postal service. The government, however, cannot assume the performance of these additional duties under conditions of the greatest advantage, without the ownership of the railway. The telegraph is not only indispensable to the operation of railroads, but its lines are in most cases located on the railroads' right of way, and at smaller places their agents are frequently the same person. This arrangement of joint use and employment has been found both economical and convenient in the transaction of business. Telegraphing is as much a public service as the transmission of the mails, and there appears no reason why it should be continued by private capitalists, except that such capitalists have now their lines established and enjoy a monopoly of the business.

The business itself is not especially complex; its

management does not require exceptional talent. The post-office clerk and the telegraphic operator are persons who do not differ widely in their business capabilities, nor does the fact that when all the watered stock has been sponged out, it is found that the telegraph companies have invested in their plant perhaps \$75,000,000, constitute any valid reason why the property should not be purchased by the government and employed as a part of its postal system. The only question of importance is that which refers to the efficiency and the economy of the service.

The telegraph business, it will be admitted, has been conducted as a monopoly of the worst kind, and the rates paid for the transmission of messages, it is generally believed, are excessive and not based on the cost of the service rendered. The rates are practically prohibitory, except when the matter is very important or great haste is indispensable.

THE POSTAL TELEGRAPH IN ENGLAND

In the United Kingdom of Great Britain, the telegraph was transferred to the state in 1870. Up to that time monopolistic rates for transmission of messages had been paid, and the business continued

comparatively small. In 1879 the whole number of messages for the year previous was only 24,459,775. Rates were reduced and in sixteen years the business had increased nearly three fold, the number of messages being in 1895, 71,589,064. While the income from this business was not sufficient to pay expenses and the interest on the bonds issued for the purchase of the lines, the general interest of business and the convenience of the public were so far promoted as to cause the results to be regarded as fairly satisfactory, and England to-day would be as reluctant to abandon the postal telegraph as she would her mail bags.

The following comparative statement of the telegraph business in the United States and the United Kingdom of Great Britain will be full of significance to the careful observer. The Western Union Telegraph Company has in this country 189,918 miles of poles and cable, 826,929 miles of wire, number of messages transmitted in 1896, 58,760,444, receipts \$22,612,736.28, expenses \$16,714,756.10; average cost of each message 24 cents. The above figures are taken from Poor's Manual.

From the Statesmen's Year Book, we find that in 1895 the United Kingdom owned and operated

193,095 miles of wire, and that the number of messages forwarded was 71,589,064, and that the receipts were \$12,994,925.

It will be noticed with interest that the government wires of the United Kingdom, although less than twenty per cent of the length of the Western Union, sent twenty per cent more messages, and that the Western Union for sending twenty per cent less messages collected more than forty per cent more toll.

BUSINESS UNSATISFACTORY IN THE UNITED STATES

In this country the poor are practically debarred from this more expeditious way of communication, on account of the great expense, and it is difficult to understand why the telegraph should be permitted to remain in the hands of a monopoly of this character, except that a judicious distribution of passes and a pernicious practice of rebating have perverted the judgment of those who are the leaders of public opinion.

During the arbitration of a dispute between the Western Union and a party with whom they had important business relations, it was developed that

the telegraph company had rebated to one of its principal patrons *forty per cent* of the tolls they had received on his business, and we may suppose that other valuable patrons have enjoyed a like measure of grace.

EXTENSION OF THE PARCEL POST

Besides the absorption of the telegraph by the government, the postal service should be extended to include a very large portion of the parcels now carried by the express companies. This departure in the postal service of England was made in 1879, and in 1890 Sir George Findley, who at that time was manager of the London & North Western Railway, said: "The parcels post compared with its elder brother, the letter post, is yet in its infancy, but it has at a bound become one of the great institutions of the country and has fully justified its inception."

The post in England will receive and transmit packages not exceeding three and one-half feet in length, or not to exceed six feet "combined length and girth," and will insure \$25 for an extra two pence, and \$125 for an additional six pence. This nationalization of the express business has become

very popular in England, and the number of packages carried by the post has multiplied rapidly. In 1894 there were transmitted by this agency 56,600,000 parcels, in round numbers—an increase in five years of forty per cent.

The privilege granted in the United States of sending parcels by post is so restricted as to be of little value. Elsewhere, in nearly half the world the utility of this class of postal service is largely appreciated. Nowhere would liberal postal privileges of this character be regarded with greater favor than here. It is a special feature of our activities to send and to receive.

The enterprise of the American people in advertising is unparalleled; in this manner manufacturers and traders become known long distances from their places of business, reputations are established and relations are formed that often become permanent and profitable. Orders are given by telegraph or mail, and the package is returned by express. There is perhaps no country where the volume of this class of trade is so large as in the United States. Generosity is a special infirmity of the American character. As a people they are frequently unjustly characterized as Mammon worshippers, but they

give with unstinted hand. Their presents go to the poor and to the rich. Their democratic instincts are shown in the distribution of their favors. At the holidays the facilities of the express companies are taxed to the utmost to take care of presents that come and go.

Parcels of general merchandise are now carried in the mail bags, when not weighing more than four pounds, at a charge of *one cent per ounce*, but publishers and news agents are permitted to send their papers and books in paper covers in any quantity to regular customers at a cost of *one cent per pound*. Why this discrimination in favor of publishers, it is not easy to understand. Possibly it is based on the plausible reason that the distribution of printed matter will promote greater intelligence. The aggregate weight of second class mail matter in this country, carried in 1897, amounted to 365,480,-182 pounds. Of this immense quantity, more than two-thirds was printed paper. The parcels of merchandise limited to four pounds, and paying a rate of postage sixteen times greater, were a very considerable part of the postal business, indicating the enormous expansion that might be reasonably expected, if received and carried on the same con-

ditions and at the same charge as printed matter sent by publishers.

In Germany a package weighing eleven pounds is carried ten miles for six cents, and a charge for further carriage anywhere within the empire is only twelve cents, being only a trifle more than the favored publisher is required to pay in the United States. In Belgium a distinction is made to favor carriage by slow trains, on which the rate is about one cent a pound. On express trains the charge is something more than one-third greater.

Both in Belgium and England, where the rates are not materially greater, the parcels are always delivered to the person addressed at his home or place of business, unless too remote from the post-office. In England, the limitation for delivery is eight miles from the station.

Mr. Cowles, who has written with great clearness and accuracy concerning these questions in his "General Freight and Passenger Post," says: "Under the international parcel post convention, formed at Paris in 1880 and now including probably half of the civilized world outside of the United States, the cost of carrying an eleven pound parcel across each of the countries of the convention is but ten cents,

and the entire charge for the conveyance of such a parcel from any post-office in Germany to any office in Egypt is only forty-five cents; ten cents across each of the countries, Germany, Switzerland and Italy; ten cents across the Mediterranean and five cents to the place of delivery in Egypt; sixty-five cents carries an eleven pound parcel from France or Germany to nearly every post-office in the greater part of South America."

In England, Germany, Austria and Switzerland, the number of parcels carried by post is very large, and this class of mail matter, too, is important in this country, notwithstanding the restrictions contained in our postal laws.

MUNICIPAL SUPPLY OF WATER AND LIGHT

Much that has been said respecting the government ownership of railroads, telegraphs and telephones is applicable to the municipal ownership of the agencies for supplying water and light. Both of these things are indispensable to every member of society and should be supplied at the minimum cost. No increment of profit should increase the expense of that which is a universal necessity, and in which the general public is so vitally concerned.

Aside from the comfort and convenience, which are only personal, there are considerations of a strictly public character, which relate to health and cleanliness, that are of the highest importance. Water should always be free from the pollution of greed; it often contains many germs which the indifference and neglect of private corporations will develop into public enemies of the most calamitous character. Its inadequate supply has frequently been the cause of destructive conflagrations, entailing loss of property and life. The public health depends in a large measure upon the purity of the water it uses. Water is the natural and most convenient abturgent, and when the supply is scant or of poor quality, there will be uncleanness and disease. "The pestilence will walk at noonday." The public has so important and so direct an interest in this matter as to charge municipalities with the responsibility of an abundant supply of water that is free from impurities.

When this service is performed by private corporations, considerations of a personal interest are likely to control. Less care will be taken to provide good water and in sufficient quantities than to manage the business with such degree of parsimony as

to realize for the investors a handsome profit on their undertakings. As competition in the water service seldom exists, the public will not have absolute protection unless the element of private interest is wholly eliminated, and this will only occur when under municipal control. We chiefly subsist on water and air. They contain in larger proportion than anything else the properties that sustain life; but when impure, holding within their crystal waves the invisible but deadly bacteria, they become the worst agencies of destruction. Typhoid fever and many other fatal maladies are more frequently caused by bad water than otherwise. To preserve the citizen from these dangers is a public duty, one which cannot be delegated to a private corporation, whose interests will be always to increase profits by diminishing cost.

The lighting of towns and cities by their corporate agencies is more distinctly an economic problem, but questions of health, morals and intellectual growth are often here involved. Just in proportion as artificial light is cheapened will its use be increased. "Light giveth a cheerful mind and a glad heart," writes the Psalmist, and this declaration has been verified in the experience of mankind,

"Weeping may endure for the night, but joy cometh in the morning," is the testimony of another inspired witness to the same important fact. The actinic effect of light on both animal and vegetable life is well understood. Death has come in the darkness to a very large majority of the race. Four-fifths, too, of all crime is committed under its shadow. Light contributes to social joys and aids the student in his midnight work.

WHY MUNICIPAL LIGHTING IS DESIRABLE

To some extent electric lighting is still in its experimental period. This is particularly true in large cities, where the gas companies have possession of the streets, and where all public and private buildings are equipped for using that kind of light. To change from one system to the other involves the inconvenience and expense of exchanging one class of appliances for another. This has often been found a matter of so much importance as to give to the continued use of gas the preference of many consumers. Besides, there are many cities which, while having the power to light the streets, parks and buildings used for municipal

purposes, are without authority to extend the service for private or commercial use.

If the electric light is found to be the cheapest and most satisfactory, its use in towns and cities will soon become so general as to largely reduce the cost of supplying it. These facts are referred to only for the purpose of enabling the reader to make proper allowance in estimating the value of the data we are about to consider. For many of the facts here presented in regard to municipal lighting the writer acknowledges himself indebted to the labors of Prof. Frank Parsons, who has given to the investigation of these economic questions much intelligent effort. Prof. Parsons gives us a list of thirteen cities, located in Maine, Massachusetts, Indiana, Illinois, Iowa, Michigan and Florida. Leaving out Chicago, which will be considered at another place, the population of these cities ranges from 8,000 to 75,000. We are particularly informed as to the cost of lighting before and after the service was transferred to the municipalities, and we find that the average cost for the same number of lamps was less than *one-third* under public ownership than when the lighting was done by private corporations. While this

exhibit is so extraordinary as to create surprise, we are assured that the figures in each case were had from official sources. In some places the reduction is so marked as to cause amazement, and to suggest the possibility of error, but we are told, in apparent good faith, that there is no mistake, that the cost of furnishing the lights under the public ownership had been carefully computed, including operating expenses, depreciation, insurance, in fact everything but taxes, which it was explained did not exceed two dollars a lamp. The reader will, we are sure, be interested in the inspection of particular cases of reduced cost of lighting under public management. The cities selected are widely separated to avoid the possible suggestion of local advantage.

	Annually.	Public cost.
Bangor, Me., paid private company per lamp.....	\$150	\$48
Lewiston, Me., " " " " "	182	55
Elgin, Ill., " " " " "	206	48
Aurora, Ill., " " " " "	326	70
Fairfield, Ia., " " " " "	378	70
Marshalltown, Ia., " " " " "	126	27

The interest on the cost of plant has not, in these estimates, been taken into account. This is, we think, a proper charge, but will not be so important as to substantially lessen the benefits of public ownership, as shown by the figures given. Cer-

tainly an additional charge of \$5 to the cost of maintaining each lamp would fully cover the item of interest, computed at three per cent. Mr. Parsons protests that interest should not be considered. He says: "Public ownership does not involve the payment of interest. In the process of attaining public ownership, interest may have to be paid, if money is borrowed to build or purchase the plant; but such interest is no part of the cost of producing light under public ownership, it is only a part of the cost of changing to public ownership; the moment the change is complete, and full public ownership really exists, interest ceases."

This reasoning is plausible, but we think unsound. The earning quality of money is the same, whether loaned or invested in lands or merchandise; if loaned, the owner receives interest; if exchanged for another character of property, the interest must be looked for, either in the appreciation or uses of the property taken in exchange. Money has the same value, whether owned or borrowed, and that value consists wholly in its earning qualities.

In large cities the lighting of streets and parks should be done in connection with the "commercial

business," that is, the lighting of factories, stores and dwellings. When wires are laid under ground, distribution becomes a very important item of expense, and the economy of correct business methods requires that there should be one system of distribution instead of two. It involves no greater difficulties for the municipal government to light buildings owned and occupied by individuals than to light buildings and streets owned and used by the public. The business becomes of course one of larger proportions. What then? A large business of this kind is no more complex than a small one. A big apple contains the same elements and in the same proportions as a little one.

CHICAGO WATER WORKS

Chicago, a city of two millions population, will serve to illustrate the entire practicability of this lighting proposition. For many years this city has successfully supplied its citizens with water, and many millions of dollars have been expended in constructing tunnels under the lake, to reach the pure water further from shore; and many more millions have been disbursed for cribs, pumps and hundreds of miles of mains and supply pipes laid

under the streets. The magnitude of this undertaking is incomparably greater than that of lighting the city by electricity, yet it has been accomplished with success, and its benefits extend to every person and even to every animal within Chicago. In the distribution of water and the collection of bills, the city deals as directly with every householder as it would in furnishing light. There is little friction and no just complaint, and the people of Chicago turn to the hydrants for water with the same confidence that they look to Providence for sunshine and air.

ADVANTAGE OF MUNICIPAL LIGHTING IN LARGE TOWNS

In cities of considerable size, owning and operating the light plants, if the business is managed with prudent regard to public interests, the profits in a short time on the "commercial business" should pay the expense of the light for streets and parks. Prof. Parsons refers to several smaller towns where this result has already been attained. The larger the city, the greater will be the economy of municipal lighting, aside from the single fact that overhead wires are less expensive than those laid under the streets.

Prof. Parsons learned from official sources that the annual cost at St. Claireville, Ohio, was \$28 per lamp (of 2,000 c. p.), averaging nine hours a night, at Swanton, Vt., \$10 per lamp (2,000 c. p.), burning all night. Chehalis, Wash., \$8 per lamp (2,000 c. p.), all night; Indianola, Ia., \$7 per lamp (1,200 c. p.), averaging 6 hours a night. In each of these places commercial lighting was done by the city.

In the following cities the "commercial business" paid the entire cost of street lighting: Albany, Mo. (30 lamps all night, 1,200 c. p.), Batavia, Ill. (120 lamps all night), Crete, Neb. (50 lamps, 1,200 c. p., midnight), Council Grove, Kans., Middletown, Pa., Oxford, Ohio, and St. Peters, Minn., and yet better results have been shown in other small cities. In Farmsville, Va., after lighting the streets and paying all fixed charges and operating expenses, the commercial lighting realized a profit of \$340. Luverne, Minn., found a profit of \$620, Falls City, Neb., \$650, and Rockport, Mo., \$900.

The author has received, during the present month (April, 1898), reports from more than sixty towns located in Michigan, Iowa, Missouri and Kansas, where the public streets are lighted by electricity, but it is disappointing that the inquiry.

made develops only a few cases where the lighting plants are owned and operated by municipalities. This investigation, while not showing so favorable results as those before referred to, fully sustains the argument in favor of lighting plants being owned and controlled by municipalities. The scope of this discussion will not permit special reference to each of the reports mentioned; a few instances will suffice to show the value of this evidence in regard to the comparative advantage of the different systems of lighting.

LIGHTING BY PRIVATE COMPANIES.

Chillicothe, Mo., arc lamp, 2000 c. p., \$100 a year for each lamp.
Bowling Green, Mo., arc lamp, 2000 c. p., \$96 a year for each lamp.
Columbia, Mo., arc lamp, 2000 c. p., \$112.50 a year for each lamp.
Jefferson City, Mo., arc lamp, 3000 c. p., \$123 a year for each lamp.
Lamar, Mo., arc lamp, 2000 c. p., \$120 a year for each lamp.
Boonville, Mo., arc lamp, 2000 c. p., \$120 a year for each lamp.
Warrenburg, Mo., arc lamp, 2000 c. p., \$90 a year for each lamp.

MUNICIPAL LIGHTING.

Grand Haven, Mich., lamps 2000 c. p., \$39, pays all expenses except interest.
Portland, Mich., lamps 2000 c. p., \$60, pays all expenses.
Kalamazoo, Mich., changed from private corporation; correspondent says cost about one-half former charge.
Salisbury, Mo., lamps 2000 c. p., \$37.10, pays all expenses.
Topeka, Kans., lamps 2000 c. p., \$40, pays all expenses.
Belden, Mich., lamps 2000 c. p., \$50, pays all expenses.
Ovid, Mich., after paying all expenses, including interest on plant

and lighting the streets, the commercial business shows a balance in favor of city of \$60.

Albany, Mo., the commercial business pays for lighting the streets and besides affords a profit to the city of \$25 to \$150 a month.

Princeton, Mo., the municipality does the commercial business, the profits of which are more than sufficient to pay for street lighting.

The data here supplied in regard to lighting demonstrates conclusively that the public convenience will be served with greater economy, under municipal ownership and control, than by private corporations.

As Chicago is the only one of the great cities in the United States that has undertaken electrical lighting under municipal ownership, its experience will be found of special interest. The experiment there was first made by private corporations, who still continue to do the commercial lighting and to furnish lamps for a part of the city. Mr. Edward B. Ellicott, city electrician of Chicago, wrote the author under date of April 15, 1898, as follows:

“The lamps which the city is at present renting costs us \$107.50 per light each year. They give one-half hour's less service every night, and are not kept in as good condition nor do they give as good candle power as those furnished by the city's own plants, where the first consideration is a first class and satisfactory light, regardless of the first cost.

"Our efforts of economy in the city's municipal system of lighting are directed in other ways than that of producing a poor light as cheaply as possible, as is the case with most private companies; their first object being a minimum cost."

The number of electric lamps in use for lighting streets in the city of Chicago, January 1, 1898, furnished by the municipality was 1,916. Each of these was of 2,000 candle power. Mayor Harrison, in a recent communication to the common council of the city of Chicago, said:

"All the improvements made in the electric lighting system have been charged to the maintenance of the system, and to secure economical operation of the system it has not been necessary to expend any large sums of money.

"During the last six months of 1897 the cost of coal was nearly double what it was the preceding six months, on account of a strike of the coal miners. This additional price of coal materially increased the cost of last year's lighting, making a difference of nearly four dollars per light per year. The conditions under which the new lights were installed, and guarantees obtained on the apparatus used in producing lights, warrant the statement

that the new lights as installed will not exceed a cost of seventy-five dollars per light each year.

“The inventoried value of the electric plant system January 1, 1898, was \$797,431.11. The apparatus is all in good condition and practically as good as new. It consists of 220 4-10 miles of underground circuits, with necessary conduit system; three power houses; twelve engines; twelve boilers; 1,552 lamps, hoods and appliances, and real estate on which the buildings are situated.”

Had the municipality of Chicago the right under its charter to do commercial lighting, it is easy to see that at the current rates charged by private corporations for that service it would soon have a revenue from its electric plant that would pay interest on investment and operating expenses, and be able to light its parks and hundreds of miles of streets without cost to the public. In other words, the profits on the commercial business would be fully adequate to relieve the city from any charge in connection with its own uses in that relation.

MUNICIPAL OWNERSHIP OF STREET RAILWAYS

As there have been no practical tests in this country proving the advantage of municipal ownership of street railways, our conclusion must be formed from such general considerations of expediency as a careful examination of the subject will disclose.

In the smaller towns, and in the outlying districts of the larger ones, the street railway is seldom built with the expectation of direct profit to the investors. Sometimes the construction of these roads is due to civic pride, more frequently to local convenience or personal interest in creating a market for real estate that is undesirable on account of its remoteness from business centres. These roads serve a specific purpose, and have no relation to the discussion of the economic proposition that municipalities should own and operate the agencies of intermural transportation. It is only where population is large and dense that the street car traffic has become an important business, governed by laws as definite as those of any other department of commerce. But in our consideration of this question in reference to the interests of the public

good, we should not forget that the population of our largest city is now about equal to the population of the entire country a hundred years ago, and that we who are middle-aged have lived to see a large number of villages grow into important towns and populous cities. We should not, therefore, estimate the value of street railway properties in reference to their *present* utility and earning capacity; the future and its immense possibilities should be reserved and protected for the benefit of our children, who will soon crowd one another in the busy streets as we are now doing. Population will continue to increase, and cities will both enlarge their borders and become more dense, and each succeeding year intermural transportation will be found more important and more profitable. The street railway is not so old as to have passed wholly beyond its experimental period. In changing from the horse to the cable, and again to the electric motor, there have been both loss and gain; loss of the capital invested in the old appliances, and the gain of that which is more efficient and cheaper in the movement of cars.

We find that the capitalization of the older and more important street railway systems is based on

the investments made from time to time, which include expenditures that have no relation to the present value of these properties. The millions paid for the horse and cable equipment do not fairly represent any considerable part of the cost of the same roads now using the electric motor. Disbursements made in connection with operating systems that are now obsolete and abandoned for more modern and economical methods should be charged to loss account, and not brought forward to swell the "dividend-earning" capital. Anything incorporated into that capital in excess of the actual cost to duplicate the roads and their equipment is water, and nothing else. This is a proposition too plain to require argument.

The Union Traction Company, of Philadelphia, has 447 miles of track, and has the longest line of any surface road in this country. In 1896 its gross earnings were \$10,210,026, operating expenses, \$5,363,026; showing net earning of \$4,847,000; cost of road and equipment, \$34,156,516; cost of road per mile, \$76,412; earned per mile, \$10,844, which is a profit of about 14 2-10 per cent. on the investment; but the capitalization of this property is on the basis of \$242,280 per mile, or more than three time the actual cost.

The over capitalization of the Metropolitan Company of New York is even worse. It has 189 miles of track, which is capitalized at \$280,000 per mile. The Chicago City Railway for the six years ending December 31, 1896, showed a net gain of \$9,247,698. This was the balance after paying operating expenses, taxes, a large disbursement on reconstruction account, and \$1,247,334 interest on funded debt. The net average annual profit was \$1,541,283, or 13 6-10 per cent on the average capital. This road has 184 miles of track and is capitalized at \$65,200 a mile.

North Chicago street railway, capital stock \$5,500,000, funded debt \$4,931,000, net earnings in 1896, after paying operating expenses and taxes, \$1,519,322; interest on debt, \$758,901; dividends, \$758,901; net earnings, after paying everything, including interest, 13 8-10 per cent.

It will be observed that these great surface roads of Chicago and Philadelphia have earned during years of unusual business depression, after paying all operating expenses, including taxes, interest on funded debt and heavy disbursements for reconstruction, from 13 6-10 to 14 2-10 per cent. This result proves the exceedingly remunerative character

of intermural transportation in large cities, and it is easy to understand that with the better facilities now being employed and with increased density of population, this traffic will become very profitable.

There are no unusual hazards incident to this business. In cities people ride to and fro with great uniformity, and without regard to whether the harvest in the country is good or bad. The street railway track is the one thing that is seldom affected by fire or flood. There are few enterprises which men undertake that are attended with less vicissitudes, or which promise more certain and uniform results. Nor in the management of this traffic is great skill required. Outside of disbursing money for procuring favorable legislation and securing franchises through boodling aldermen, there is nothing in the business that a person of ordinary talent, having special knowledge and training, cannot do. From manager to trackman, the duties to be performed are simple and quickly learned. The same monotonous and mechanical facts will mark the routine of each man's daily duty, from year to year. I do not mean to be understood that it may not be otherwise when these interests are in the hands of private corporations, who are seeking do-

minion through intrigue and corruption. Genius of a distinct order in such case is indispensable; but with municipal ownership there would be no franchises to traffic in, and the occupation of these well-paid and ill-deserving political and social wreckers would be gone.

In several of the most important cities of England and Scotland, there is now shown a good deal of activity in respect to securing municipal ownership of both transportation and lighting. Very gratifying progress has been made in London, Liverpool, Leeds, Birmingham, Manchester, Glasgow and Sheffield. One-third of the street cars in Great Britain are already owned and operated by municipalities, and in each case the change from private ownership or control has been to the public advantage. In Manchester and Glasgow the price of gas was reduced to fifty-eight cents a thousand feet, under municipal ownership of the gas works.

Glasgow has a population of about one million, and is the largest distinctively manufacturing city in the United Kingdom. Mill operatives in Glasgow, as elsewhere in Great Britain, have had long hours and small pay; poverty and extreme destitution has been the common lot of a very numerous

class. Many of these unfortunate people were housed in uncomfortable and unsanitary tenements, which the authorities have since condemned as a menace to the public health, causing them to be removed and new buildings to be constructed, that would afford for a low rental healthy and comfortable homes.

In Birmingham a similar condition of misery and squalor existed before large districts of the slums were condemned for public uses. The municipality paid some \$8,000,000 for the property thus appropriated. Acres of human stables, with their noisome exhalations and pestilential accessories, were torn away, and in their place decent homes were built. This change, it is reported, reduced the annual death rate in the renovated district from eighty to twenty per thousand. The population of Birmingham is about 500,000. It purchased the gas and water works of private companies, paying something more than \$16,000,000. It supplied purer water, and doubled the quantity served and reduced the cost one-third, and after paying all operating expenses and fixed charges, the city held a balance to its credit of about \$300,000.

The city of Glasgow now operates all the cars on

its streets, and notwithstanding the embarrassments which always attend putting a new and extensive system into working order, under changed plans and a new management, the results obtained are in the highest sense satisfactory. The service of the road has been performed by persons working less hours and receiving larger pay. The increased sum paid in wages, in 1896, amounted to more than \$25,000 (£5,300). During the same period, 99,000,000 passengers were carried, on which there was a clear profit to the city, after paying operating expenses, of \$276,500. Besides this, there was a benefit to the public on account of lower fares amounting to \$900,000 (£180,000).

In Leeds the street railways have been operated by the city since early in 1894, and during the last three years with the following results :

Receipts.....	\$865,430
Expenses.....	703,490
	<hr/>
Gross profits.....	\$161,940
Paid interest on investment	60,535
	<hr/>
Net profit	\$101,405

While realizing this very substantial gain to the city treasury, there was a better service to the pub-

lic, lower fares and shorter hours for those employed in operating the lines.

Sheffield has had the advantage of municipal control only one year (August, 1897), and shows a net profit of \$40,000. There were cheaper fares and a gain of 2,000,000 passengers carried during the year. There was an increase of wages amounting to \$12,500.

SITUATION OF INTERMURAL TRANSPORTATION AT TORONTO

Toronto has a population of about 200,000, and having become embarrassed on account of its municipal indebtedness, which amounted to about \$100 per capita, found it necessary in 1891 to turn over its street car property to a private corporation, to which it granted franchises for thirty years on terms of exceptional advantage to the city. The purchaser paid to the municipality the full cost of the road, and for the privileges of the monopoly it agreed to pay every year an additional sum of \$800 for each mile of single track and eight per cent of the gross receipts of the road up to \$1,000,000, and an additional two per cent for every \$500,000 increase in the gross receipts, until \$3,000,000 annual

income was reached, when payment to the city should be twenty per cent and continue at that figure. The private corporation paid the city of Toronto for this street railway property \$1,453,788. The capital stock of the company was made \$6,000,000. It issued and sold its bonds to nearly \$3,000,000, and its stock was very recently selling at eighty cents on the dollar.

In the sale of the road the city stipulated for certain classes of tickets that should be sold at special rates — general tickets to be used during the daytime only at the rate of six rides for twenty-five cents, and twenty-five rides for one dollar; tickets to be used between 5:30 and 8 A. M., and between 5 and 6:30 P. M., should be sold at the rate of eight for twenty-five cents; tickets for school children to be used at appropriate hours at the rate of ten for twenty-five cents. It was further stipulated that every passenger should enjoy the right of transfer to every line and branch. The city of Toronto has already been paid by the street railway company between eight and nine hundred thousand dollars as its share of the earnings of the property under the terms of the stipulations referred to, and it is estimated that the reduction of fares on special classes

of tickets has secured to the citizens of Toronto a benefit fully equal to that received by the municipality on account of stipulated payments.

In 1895, since which time we have no reliable reports, the actual investments for street railways in St. Louis, Mo., amounted to \$8,415,360, and the net income was then shown to be \$1,962,468, or about twenty-three and one-third per cent. Street railways in the important towns are accustomed to withhold from the public any information on which can be based an intelligent computation of the profits realized. When disclosures are made, it is generally in a shuffling manner and with the purpose to mislead; when profits become so large as to cause the public to be restive and demand lower rates of fare or to actively discuss municipal ownership, there is a new issue of bonds or increased capitalization results.

This has occurred in St. Louis. The roads that have cost about eight and a half millions are stocked and bonded for thirty-eight millions, and are able to earn dividends on the actual investment, plus about twenty-nine millions of water. From the annual report of the board of directors of the National Street Railway Co., of St. Louis, made in

January, 1898, to the stockholders, it appears that the Northern Central and Cass Avenue lines, which cost \$848,950, earned, after paying operating expenses and repairs, twenty-two and one-third per cent. The St. Louis roads are stocked and bonded for \$175,500 a mile. This is about three times the sum actually invested in their construction and equipment.

The history of the intermural roads of St. Louis will afford the economist a very interesting and suggestive study.

Governor Hazen S. Pingree, in an address before the Nineteenth Century Club, of New York, said:

“So long as we allow persons to speculate in the use of our streets, we must expect the people to be subjected to exorbitant charges. So long as we depend upon private companies for light, we must expect poor service and high rates.

“This remedy will not only solve many municipal problems, but, applied on a larger scale, will bring railroad companies, express companies, steamboat lines, telegraph companies, telephone companies and other agencies of commerce under proper subjection. * * * Men say, ‘Let us give to him that hath, and take away from him that hath not

even the little that he hath,' but I do not believe that is good Christianity.

"In Michigan the richer you are the less it costs you to travel or ship goods. The very rich and the legislators and the judges ride on passes. The lower lot buy thousand-mile mileage books for two cents a mile and put up \$30, \$10 of which is placed at interest for one year by the railroad company, and then you get it back, but not the interest. The poor pay three cents. * * *

"I am one of those who hope and believe that self-government by the people and for the people has not been half tried nor reached that stage which all men who love liberty hope it will eventually reach. We may in the near future pass through troublous times, for as 'constant vigilance is the price of safety,' so must liberty be regained at times.

"Greed in the United States must be curbed, for greed is the root of all evil, national and political. Wrong cannot stand before right and truth, except for awhile. What is right will prevail in the end.

"Of late there are those who fear the people, and in your clubs a monarchy like England is advo-

cated. If you analyze the case, you will find that only those fear the people who are exploiting the people. The people, so-called, the class I have mentioned, are the mainstay of this republic of ours, and they are always right.

“There must be one law for the rich and poor alike. There must be one measure of justice. Our legislature must legislate not for a class, but for the whole people. Our courts must forget the influence which placed them on the bench when they judge between man and man. It is the duty of government to protect the weak against the strong, the poor against the selfishness of wealth. * * *

“We must begin by advocating municipal ownership of natural monopolies, and take away from them the item of profit and relieve the wage-earner to that extent.”

POSTAL SAVINGS BANKS

There are many things, it has already been shown, which may be done through the direct agency of government with more satisfactory results than when managed by individuals, or by private corporations. It is not my intention to venture upon any further extended discussion concern-

ing government control of such interests as it may assume with benefit to society. There are two matters, however, of so much importance, both to the citizen and the state, that they cannot well be overlooked, even in a hurried survey of the situation. The attention of Congress has already been called by Postmaster-General Gary to the importance of connecting with his office a savings department. In his annual report for 1897, he has presented the following excellent reasons for this important addition to the postal service.

“A large amount of money is undoubtedly secreted by people who have little or no confidence in ordinary securities and monetary institutions organized by private citizens. It is unnecessary to discuss the reasonableness or unreasonableness of their distrust; the fact that it exists is a matter of common knowledge. The amount so hoarded throughout the land cannot, in the nature of things, be estimated with accuracy; and yet undoubtedly it aggregates many millions of dollars. Beyond serving as a fund upon which to draw in case of necessity, it is of little or no use. It is dead capital; but if its owners could be inspired with absolute confidence in the security of an investment, it is

altogether probable that the bulk of this fund would find its way into the channels of trade and commerce, thus adding greatly to the welfare and prosperity of the country. If money is the blood of commerce, then anything which tends to increase its circulation strengthens and builds up the commercial system.

“It is reasonable to suppose that if the government undertook the task of providing for the investment of this money and caring for the accumulations of interest thereon in behalf and solely on account of the investors, the latter would gladly accept the service offered them. No question as to the security would disturb them, for the faith of the people in their government is unbounded. Their little savings, which separately could hardly be put out at interest, would amount in the aggregate to a sum that could be invested to their advantage. Provision could be made for the withdrawal of deposits in case of necessity or for any other reason, so that to the individual would inure the benefit of the postal exchange and the increment of interest arising from the investment, and to the country would accrue the benefit of the circulation of capital hitherto unused and in that sense useless.

“The establishment of a postal savings system would tend inevitably to the cultivation of thrift in a large class of people. Through its instrumentality, those who have been improvident in little things, and who have not learned from experience that money makes money, will be educated slowly but surely to save a surplus over and above their living expenses, to the end that a fund may be created which will provide for them when sickness or old age overtakes them. When they realize that their savings may be so utilized under the direction and care of their government that even small amounts will earn money for them, it is but reasonable to suppose that they will be incited to greater exercise of thrift and industry. They would soon come to understand the advantage of depositing with the government their surplus earnings, instead of expending them wastefully and, therefore, uselessly. If but a small percentage of the money a young person expends unnecessarily, in the many ways known to all, could be saved and wisely invested, there would be a competency at hand when old age comes. The battle of life would be less difficult to fight with the knowledge of reserve forces at hand. The habit of thrift thus formed

would result in providing ample means for the enjoyment of the real pleasures of life, while laying in store provision for possible future disaster and infirmity.

“In my judgment, the establishment of postal savings depositories would tend to better citizenship. If the masses of people were thrifty and saving in their habits they would more likely be contented and happy; and if their hard-earned savings could be placed in the hands of the government, in the welfare of which they are all so deeply concerned, it is reasonable to believe that they would come to a better realization of the duties they owe to their country and consequently to each other. The union of common interest would surely result in a broader, wiser, and more useful citizenship. The successful operation of a postal savings deposit system would bring into closer relationship the government and its citizens, and result in the development of practical and enduring patriotism. The citizen who feels that he has a personal interest in the affairs of government beyond the payment of his share of taxes and the discharge of those other duties common to all, is of more value to the community and the nation than one whose

conception of citizenship means merely the performance of those duties.

“Invest an individual with a selfish interest in the maintenance of the nation’s credit, and although he may have been careless and improvident, he will at once be transformed into a conservative and dutiful citizen, charged with the inspiring obligation of voting intelligently upon all questions affecting the welfare, the stability, and the perpetuity of the government. It would bring to him a keener realization of the fact that between him and the government there had been established a species of partnership, imposing upon him peculiar obligations which he would be prompted to respect.

“The advantages to result from the adoption of a system so promising in the growth of patriotic sentiment and good citizenship, in my opinion, constitute a powerful appeal to statemanship to provide by law for the application and the spread of its beneficent consequences. With the multiplication of depositors would come the elevation of the standard of citizenship, the cementing of the ties that bind the people to the government, the strengthening of the public credit, and ultimate betterment of all concerned.

“Using the post-office for the collection, employment, and augmentation of the small savings of the people is no longer an experiment. It is an accomplished fact in nearly every country in Europe, in the British dependencies of both hemispheres, and even in Hawaii. In Great Britain 7,000,000 depositors have upward of \$550,000,000 in savings accumulated during thirty five years; and in ten years fewer than 10,000 Hawaiian depositors saved nearly \$1,000,000. Canada, whose savings banks in 1867 held less than \$3,500,000 as the accumulation of a century, inaugurated a system of postal savings depositories in 1868, and in twenty years the deposits exceeded \$22,000,000. These vast accumulations have been made with the least possible loss to the governments, which guarantee their repayment, and with a minimum of cost to the millions of depositors. At the end of 1895 Great Britain, after paying interest at the rate of two and one-half per cent. and covering all losses incurred, held \$3,500,000 in undivided dividends.

“It has been reiterated that the American people know how to make money but not how to save it. The latter knowledge has been brought home to millions in Europe by the postal savings deposi-

tories. The lesson which was taught to the children has become the practice of their mature years, and saving is easy. It has made capitalists of the workingmen, of their wives and their children. More than a third of the postal savings accounts in European offices are held by minors, and more than two-thirds are held by those who toil with their hands and who follow the most humble callings. It is essentially the bank of this class. There is no other channel which could so completely reach all the people. It is true that in the more densely settled portions of our country there are located over a thousand savings banks, which have attracted nearly 5,000,000 depositors, and now hold more than \$1,900,000,000 in savings; but two-thirds of the banks, and even a larger portion of their depositors, belong to New England and New York. These answer the purpose so far as they go, but the postal savings depositories would, in my judgment, in no way conflict with these institutions, and their principal usefulness would be in the wider dissemination of facilities for depositing savings in modest sums, and their primary object would be to create the habit of saving rather than to accumulate large sums of money.

"It is often urged that whatever can be as well done by private enterprise as by the government should never be entered upon by the latter, but a century of demonstration has shown that private enterprise cannot supply even adequate means of exchange, let alone the great instrument for the collection and increase of the small savings of the people. Private enterprise, aided and sustained by the government, with its mantle of security thrown about the national banks, has not been able to keep pace with the growth and needs of the country. While the frontier settlements of Finland, Algiers, South Africa, India, Ceylón, South and West Australia, Tasmania, New Zealand, Hawaii and British Columbia are enjoying the blessings of banks of exchange and of interest-paying depositories, private enterprise in this country has left the people of many old communities, and in a few cases of almost entire states, without any facilities whereby they may protect and invest their hard-earned savings.

"The sole convenience which these people have enjoyed and are using to day is the facility for exchange afforded by the money-order system of this department. If additional argument is necessary

for the postal savings scheme, it can easily be deduced from the operations of this remarkable system. During the current year more than 52,000,000 transactions were made in the 21,000 offices of this class, and nearly \$200,000,000 were received, transmitted and paid out. Millions of money orders were bought to be used by the buyers as drafts and certified checks are employed, for safe and convenient carriage. Money orders were bought to secure a safe deposit for the cash in the absence of trustworthy banks. In one instance twenty-five orders for \$100 each were bought with cash drawn from a collapsing bank. The money-order system has become to a large extent the poor man's exchange, and the man of means is often constrained to resort to it for want of banking facilities.

"It must be apparent, therefore, that as a medium of exchange the banks, numerically, fall far short of the money-order system, and, distributively, their failure is even more pronounced. If, by appropriate legislation, money-order offices could be converted into savings depositories for the people, they would soon afford infinitely more facility for receiving interest-bearing deposits than the interest-paying banks do now. Vast as the money-order

system is, its machinery in this department is very small. The bureau contains forty-six employees of all classes and the auditor's office 330. It is more than self-supporting, notwithstanding the repeated reductions made in the fees, and for the last current year its profits netted nearly \$1,000,000. The system furnishes the machinery which, in its equipment, methods, economy and comprehensiveness, could be adapted with the smallest possible friction or increase of agents to the duties of a postal-savings depository."

DETAILS OF MANAGEMENT

"Foreign countries furnish us an object lesson, which it would be well for us to consider. The postal-savings system was first put into operation by Great Britain in 1861, largely through the instrumentality of Mr. Gladstone. Canada followed in 1868; Belgium, 1870; Japan, 1875; Italy, 1876; Holland, 1881; France and India, 1882; Austria, 1883; Sweden, 1894, etc. During this period nearly every English colony followed the example of the mother country. The history of the system wherever applied has been marked with success and prosperity. Intelligent thrift has taken the place of ignorant

waste and recklessness; the shiftless have become self-supporting, and the frugal have attained a competency. This is the uniform testimony. The methods of operation are much alike. All of them pay interest on the deposits, varying from $2\frac{1}{2}$ per cent in Great Britain to $4\frac{1}{2}$ per cent in Hawaii; average $3\frac{1}{2}$ per cent, or about one-half per cent below the average paid by American savings banks.

“It is claimed that it would take money out of communities already suffering for want of currency. On the contrary, it would gather together the money now hidden and idle in every community, and enable each of them to get the use in bulk, at the shortest possible notice, of all the reserve capital in the community. While the funds thus gathered from the community would probably be sent to the financial centers, they would be returned, through safe and proper channels, to move the crops and to perform their own customary duties.

“It would interfere with the checking business of existing banks, is urged by others. Already the money-order system does that to an enormous extent—more than 26,000,000 money orders were issued last year—to the convenience of millions who had not enough capital to secure banking facilities.

“It would unduly increase the patronage of the post-office department, it is contended. It was shown above that such increase would be slight. The present machinery of the money-order system would practically perform the additional labor for years to come. Making depositories, for the savings of the people, of thousands of post-offices would tend to elevate the standard of that class of postmasters. Their bonds would be enlarged, and, therefore, their quality would be improved. The business itself would be conducted with more safety to the depositor than it is now by private institutions. This may be inferred from the greater security the national banks afford than their private competitors do. A recent report of the Comptroller of the Currency shows that the failures among national banks, as compared with those of all other classes of banks, are as one to thirty.

“Other opponents cry ‘paternalism.’ All government is more or less paternal, in that it takes care of the interests of the people. Carrying the mails, excluding disease-infected vessels from the harbors of trade and commerce, preserving the peace, providing for public education, subsidizing agricultural colleges, maintaining agricultural stations, and mak-

ing weather bureau predictions, are all of them paternalistic.

“Some affect to see the specter of centralization in the postal-savings system. It is true that it operates directly to centralize capital, but only that it may be redistributed and thus put to use. I beg to call attention to the trenchant reply made to this objection by one of my predecessors, Mr. Creswell, in 1873 :

“If to establish postal savings depositories would be in violation of the Constitution, there is an end of the matter at once. If, on the contrary, such action would not be unconstitutional, then the only question is whether their establishment would on the whole be advantageous for the people and the government. Since the National government has assumed to organize and control the banking of the country, and has found warrant of law for undertaking the transmission of the people's money through the mails, it would appear that it is only discharging its whole duty and completing its financial work by providing for the safety of the small savings of the industrious and frugal poor. If, in addition, it can be shown that postal saving depositories will serve to fortify the national credit, make

more equable the financial operations of the country, cultivate habits of thrift among the industrial classes and illustrate the excellence of our institutions by protecting and augmenting the accumulations of self-denying toil, and thus in time merging the workman into the capitalist, the cry of centralization cannot be made to drown the voice of the people in their demand that the government of the United States shall execute for their benefit the high office enjoined upon it by the Constitution.

“The system is pronounced impracticable by some, for the alleged reason that this country, fortunately unlike the European examples cited in this report, has not enough of a national debt to absorb the hidden savings of the people. There is enough of a national debt, if it should be used for that purpose, to afford investment for such saving during the next ten or fifteen years, after which the wisdom gained from experience may be safely intrusted with the problem of finding other fields of investment in this great and growing country.

“It may not be out of place to recur in this connection to the fact that the security, and not the rate of interest, is the primary and essential condition of a successful postal savings system. It is upon

this proposition that all the systems of Europe are based. The rate of interest would necessarily be low, if not the lowest in the market, and consequently the investments would invite the very best securities. In loaning money the minimum rate of interest insures the maximum degree of safety, and the application of this principle to postal savings will inevitably lead to channels of investment both ample and secure.

“It is a matter of daily occurrence in courts of chancery for orders to issue, directing guardians and trustees to invest the moneys of widows, orphans, and other wards in the bonds of states, counties, and municipalities, and even in real estate. If these channels of investment could be judicially opened to the proposed savings, they would furnish an illimitable field for the accumulations of the future.

“A suggestion made by several of my predecessors is that a part of the postal savings could be profitably devoted to the erection of public buildings for the use of the government. Perhaps at no time in the history of the government was the necessity for such buildings so great as at present. This department alone is paying approximately \$1,300,000

in rentals this year, the bulk of which, \$800,000, is expended for 832 buildings, leased outright, for the use of first, second, and a few third class post-offices in towns where the Federal government owns no buildings or where the buildings owned are inadequate for the service. The total expenditure for rents by the government during the last fiscal year closely approximates \$2,000,000. All the departments and congress are paying annually for the rent of buildings in this city more than \$200,000. The government is paying rent for buildings at a rate equal to and ranging from five to ten per cent of their value, when it could erect and occupy better buildings at a cost not exceeding one-half of the lower rates."

GOVERNMENT SHOULD ENCOURAGE HABITS OF SAVING

No argument will be required to show the advantage of saving money among the middle and poorer classes, and to encourage and develop this habit every possible facility should be afforded.

During the past few years millions have been lost to our citizens of all classes through the failure of savings banks. This has caused great distress in

the loss of money saved from small wages by an economy that has denied many needed comforts. This experience with savings banks has caused wide distrust concerning these private institutions, and will have the effect to discourage the meritorious efforts to save on the part of those who are earning something more than is required for present want.

GOVERNMENT LIFE INSURANCE

Life insurance stands next to the savings bank in its utility. A small sum diverted each year from unnecessary disbursements to pay for insurance on the life of the one who has the support of a family will relieve much distress and anxiety during his or her lifetime, and prevent much misery and want after he or she is dead.

This business should, I think, be conducted by the government; first, for the reason that the vast sums, amounting to hundreds of millions of dollars, reserved for the payment of future losses, are not so secure in the hands of individuals or private corporations as they would be in the hands of the government.

We have frequent illustrations of the fact that man is not always wise enough, or strong enough,

to put aside the temptation to misuse a trust and appropriate for his own benefit the funds which he holds for others.

What we want in respect to savings deposits and life insurance is absolute security, and this will be had only when the obligation to pay is assumed by the state. When a young person insures, the probabilities are that the obligation on the part of the insurer will not mature for many years, and there should be the largest possible guaranties of ability on the part of the insurer to pay in the distant future. The government has a character of perpetuity and permanence which no person or private corporation possesses. The state, too, can manage this business at net cost, and there will be such a saving in the matter of profits and expenses as to materially reduce the cost of insurance.

There are four life companies in the city of New York that pay annually to their presidents alone a sum aggregating two hundred and seventy-five thousand dollars.

The Hon. William A. Fricke, Commissioner of Insurance for the state of Wisconsin, in his last annual report, said:

“It will come to the policy holders of life comp-

anies as a surprise to learn that the loading of the premiums with expenses in 1896 of the twenty-eight companies transacting business in Wisconsin, was fifty-seven millions of dollars, and that the expense consumed even more than this sum."

He further says that in 1895 and 1896 "there was a gain on account of interest lapsed and surrendered policies on mortality account of \$31,604,514 above the amount required to maintain the reserve, and that of this gain only \$16,067,887.87 was returned as dividends to the policy holders." Then he adds: "The very foundation stone of insurance is confidence, and the moment confidence in the honesty of a company is shaken it will fail."

Mr. Fricke expresses his belief that if every man would carry a moderate life insurance, poor houses, homes for friendless and other charitable institutions would largely decrease in number; that the state would be benefited and taxation diminished; that it would aid in solving the labor question by removing from competition the widows and orphans left dependent upon their own exertions and compelled to accept too often the pittance dictated by their wants.

There is no office more appropriate for the state

to perform than to encourage economy and thrift by offering its service and its security. That which will diminish pauperism by providing for contingencies that frequently arise is a matter in which the government has a direct interest. Both the savings bank and the life insurance can, and should be, conducted on a basis that will relieve the government of any expense. That which generally is at the root of poverty is improvidence. The poor are usually industrious, but do not save their earnings. The savings bank and the life insurance will invite and stimulate habits of accumulation, and this will generally diminish want and cause the line of proletarianism to recede to lower levels. In this venture, if venture it may be called, the government has nothing to lose and everything to gain.

But there is another important reason why life insurance and the savings deposit business should be managed by the government. Every depositor, and every person holding a policy, will have a direct interest in the permanence of our social and political institutions, and in times of unrest and danger, which will occasionally recur, they will unite with the conservative element to preserve

order and the public peace. It is safe to assume that the average citizen will in his action be largely influenced by his interests, and when the state is the promissor on millions of life policies, and holds largely the surplus earnings of its citizens, there will be such a mutuality of interests that we may safely predict that the state will never be overthrown from internal causes.

While insurance is not a charity, the fund which it accumulates on account of premiums received is a trust for the benefit of widows and orphans, and any misappropriation of such funds is a crime against those for whose use it is contributed. The fact that any part of this money is diverted from its proper purposes, under the pretense of paying a salary, if such salary is an unreasonable compensation for the services of the officer receiving it, does not lessen the outrage to those who have been defrauded of their savings.

Opportunities for this class of abuses should never be possible, and that they are possible is chiefly the fault of the system of managing the business. Society, acting in its aggregate character, from its higher wisdom and greater power, can provide regulations that will protect its indi-

vidual members. So far as the units of society are concerned, they are powerless to prevent speculation and fraud; whether they be wise or foolish, strong or weak, the only security they have for their property and in their pursuit of happiness is reliance on that power, wisdom and justice, which are found alone in the state. Mutual protection is one of the chief purposes for which society is organized. We agree to surrender somewhat of our natural rights, somewhat of our individual liberty, in the general interest of all, and for such just and protective rules as will promote the common weal. Whatever it is right to have done in respect to these things we should insist upon. It does not excuse action because we may own bank stocks, or have an interest in the life company. As citizens, our paramount duty is to the state; as Christians and members of the federation of men, we owe a far greater obligation to our less fortunate fellow servants than to the bank or the insurance office. In dealing with these questions we have temporized and evaded the issue until a crisis is reached, and to further defer action is to invite danger. If we demand these measures with determination, we will be heard.

GOVERNMENT MANAGEMENT OF FIRE INSURANCE IMPRACTICABLE

The business of fire insurance is one of so much complexity that its management by the government would be attended with much difficulty. Life insurance premiums are based on a rate almost wholly determined by the age of the applicant. The cost of a fire policy is computed with reference to the character of the risk, to determine which it is necessary to consider the combustible nature of the property to be insured, its exposure and the means available for its protection. Exposures refer chiefly to the construction and the uses of contiguous property, protection, water supply and the mechanical appliances for extinguishing fires. Besides the careful computing of these physical elements of the risk, there is another matter of the highest importance, which the prudent underwriter is compelled to decide, and without reference to rate books or other data relating to the business.

This is the *moral hazard*. In the decision of this question is involved a judgment of the applicant's personal integrity, his business and social habits, and often his financial condition. It is here that government management would find its principal

difficulty. Unless the person seeking insurance is notoriously bad, has been convicted of crimes, or it appears has obtained money on insurance claims under circumstances of suspicion, the decision to grant or refuse the indemnity asked for must be arbitrary and frequently would be unjust and oppressive. There would be judgment without trial and persons denied "the equal protection of the laws." Declining to accept a risk on the ground of a moral hazard will always be a matter of so much delicacy as to create a doubt whether the business of fire insurance can be conducted by the government without such cumbersome agencies for settling disputed questions as to largely increase the expense and seriously interfere with the dispatch of business. Improvised or even permanent courts could of course be provided to protect the applicant from the hardships of the arbitrary decision of the government agent, but such action would contemplate delay, vexation and expense. Any system that makes any formal inquisitorial proceeding necessary to determine who may be entitled to receive the benefits of insurance, will never have the approval of the general public; and should the government engage in the business of insuring property, it could not refuse any person

or any risk unless he was judicially declared uninsurable; and to issue policies to all persons and on all characters of hazards would be to the peril of society.

While fire insurance is not as indispensable as light and air, it is colossal in its magnitude and in an exceptional manner beneficial to the owners of property. It is a conserving and protecting agency. Like the clouds that gather moisture from infinite sources to refresh with their gentle rain the parched fields, the insurance company reinforces its energies from the contributions of many policy holders, to repair misfortune that, wandering, "now falls on this one, now on that." If insurance were withdrawn it would be calamitous to the important business interests of the country. It is to such extent the support of confidence and guarantee of credit that if it were withheld capital would refuse its aid to manufacturing and commerce, except on terms that would restrict all hazardous enterprises to the smallest proportions. No great ventures would be undertaken, and every one would act under a cloud of perpetual and paralyzing fear concerning possible disaster.

As the strength of the reserves gives courage to

the battalions engaged in the battle, so does reliable indemnity distinguish the boldness with which great transactions are conducted. But fire insurance, with all the advantages it affords, is not an unqualified good; despite its best efforts to serve the public, it is the cause of much crime and the loss of much property. When buildings and merchandise are insured, which is frequently the case, in excess of their actual value, a motive will exist for the destruction of the property. With some persons the temptation will have no greater effect than to cause a relaxation of protective vigilance; with others, there will come to exist an "irrepressible conflict" between interest and morality. The result of this conflict is the destruction of property in the United States each year amounting possibly to \$60,000,000. While the loss of this property is a very serious matter, it is unimportant as compared with the debauchery of public morals which has been occasioned. The insurance premium is based on the expectation that not more than one risk in a hundred will sustain loss. Should, therefore, one person out of each three hundred cause a fire, to realize on his policy, we shall find that thirty-three per cent of all fires have a criminal origin. This is bad enough

when considered only in respect to the fire waste, but much worse still when we take into account the large number of persons who each year are led through temptation to the perpetration of an atrocious crime. Persons who have successfully taken the first step in a criminal course are less likely to return to honest ways than to engage in further unlawful ventures, and it thus occurs that fire insurance, as now conducted, not only causes the burning of a vast amount of property, but it is also responsible for causing a large class of persons to become dangerous enemies of society.

This evil has become more pronounced on account of the very unwise legislation in many states, creating "valued policies." These laws give *legal* character and sanction to a villainy which is a tax and a menace to honest people, and which affords safer and more profitable opportunities to enterprising rascals than wrecking express cars or robbing banks. While the insurance company may and no doubt generally does deplore this wrong, its interests are in no important sense involved; its rates of premium are determined by its ratio of losses. Whether the property it insures is burned by reason of the physical or moral hazard is of less conse-

quence to the insurance company than to the general public, who in all cases must ultimately pay the cost.

The number of insurance companies competing for business is so large as to make it impracticable to secure co-operation in support of any rule that will prevent over-insurance. The duty, therefore, rests upon the state to enact such laws as will prevent the criminal waste inevitably resulting from excessive insurance. The "valued policy" is a blunder, which has cost the owners of property in the United States not less than a hundred million dollars, and we may well shudder when attempting to estimate the number of infamous crimes, such as perjury, arson and murder, for which it is directly responsible.

GENERAL CONSIDERATIONS

The time has arrived when we may properly choose between public and private agencies for the performance of a class of duties in which the public is chiefly concerned; and clearly the preference should be given to such agencies as are the most efficient and economical, without stopping to consider the immaterial fact that they are public or private in

their character. There have been excellent reasons why many undertakings of general utility should have been left a long time for experiment and evolution in the hands of private capitalists. Progressive ideas develop slowly in the general mind. The average person does not understand that he is charged with the responsibility of action; he waits contentedly for demonstration; meanwhile, there are others, Argus-eyed and alert, who quickly seize opportunities and master them. To such persons the revelation of a practical scheme to supply a public want speedily connects itself to the agencies of execution, deliberation is quickened by enthusiasm, and that which was yesterday only a concept is to-morrow a valuable improvement and made an integral part of our social economies.

The slowly apprehending and conservative public mind observes, estimates, then approves and is ready for action. This will most frequently be deferred until the private capitalist or corporation has secured important franchises, and is so strongly entrenched in its vested privileges as to obstinately dispute the right of the public to regulate its own affairs. It would be unjust to deprive capital of the reward for which it has ventured in untried enter-

prises. Municipalities are bound, morally and legally, to regard their contracts the same as individuals. When this is done, they are free to choose that which will best advance their corporate interests. When the street car, water supply or lighting company has enjoyed the full benefits of the *stipulated* monopoly, the municipal government should resume its primary or original right to perform these services for itself, whenever it can do so with advantage. The citizen is entitled to the lowest fare, when he rides, and the best water and lights at the cheapest rate that can be obtained; nothing should be added to the cost of these necessities, for the purpose of increasing the profits of capital.

During the last half century the American people have been experimentally engaged with many important discoveries affecting their domestic and industrial interests. In respect to many of these, there has been disappointment and loss; with others, the measure of our success has been so great as to multiply our gains and largely increase the means of happiness. There is now available to us much definite knowledge of a practical and scientific character, which through laborious and costly investigation has been separated from speculative inanities,

and may now at our election be applied to promote the general welfare. Much of our good and that of our children depends upon the manner in which we improve these opportunities. The choice cannot be made too soon.

It is urged that the local government of large cities is often under control of dangerous political bosses, and that the public interests are subordinated to the plundering greed of party "heelers." This is unfortunately true, but does it create a valid reason for the abandonment of civil government? For the past twenty years the greatest scandals in which municipalities have been involved, it should be remembered, have grown out of the valuable franchises granted to private corporations. If the franchises were withheld, there would be no boodling, and the rogues, finding their occupation gone, might learn to live honest lives. Nowhere do faithless and corrupt aldermen find their jobs so rich as when dealing with corporations seeking to obtain or to extend franchises worth millions of dollars. If the privileges for which the street railways, water and light supply companies corruptly pay large sums to members of city councils are not valuable, why are such sums disbursed for that purpose? If

valuable, why are the franchises not retained for the benefit of the tax payers, to whom they belong ?

THE END.

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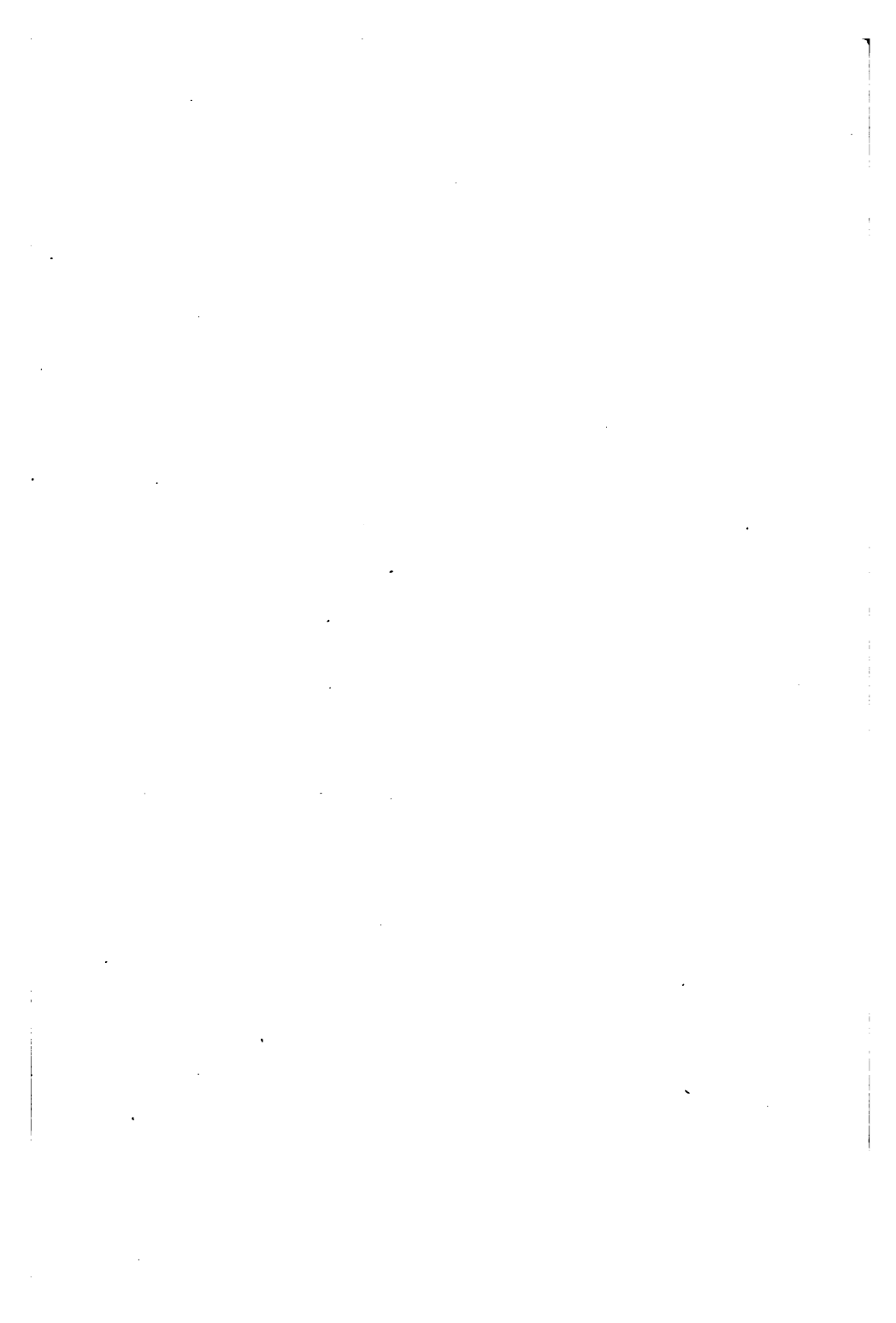
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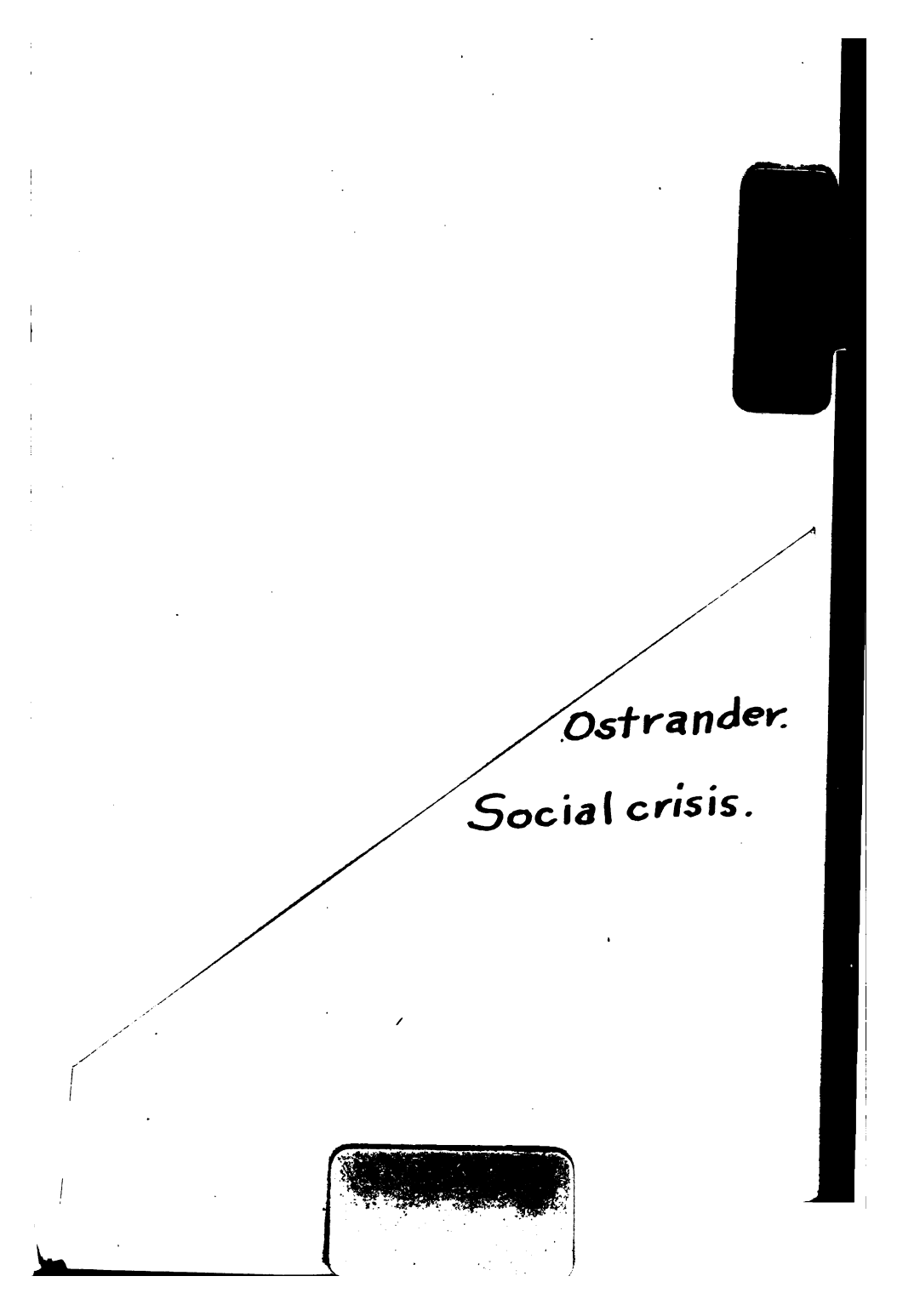
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